



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, October 5, 2020, 4:30 p.m.
City Hall, 225 W. Center St., Council Room**

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
Ken Weems, Planning Manager
Jessica Harmon, Assistant to City Manager

1. Call to Order
2. Roll Call
3. A determination by the board that meeting electronically and prohibiting the physical presence of the public at the meeting is necessary to protect public health, safety, and welfare or all concerned in light of the COVID-19 virus.
4. USA Pickleball Assoc. – Chris McCartt
5. Review of Items on October 6, 2020 Business Meeting Agenda
6. Adjourn

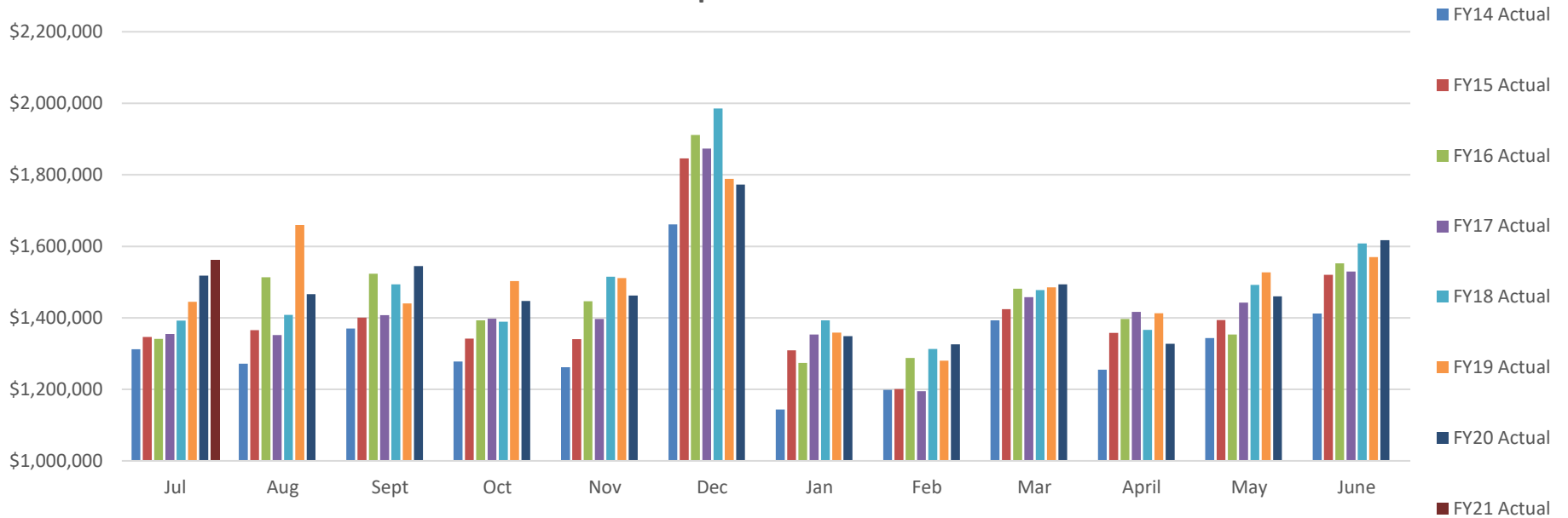
Next Work Session October 19

Local Option Sales Tax 2.25%

July 2020

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	Adopted	Variance		% of Growth	
	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Budget	FY21 Over/ Under Budget	FY21 Over/Under Prev. Year Actual	FY21 Over/Under Prev. Year Actual	FY21 Over/ Under Budget
Jul	\$1,312,286	\$1,346,896	\$1,341,027	\$1,354,948	\$1,392,147	\$1,444,727	\$1,517,710	\$1,560,033	\$1,356,500	\$203,533	\$42,323	2.79%	15.00%
Aug	\$1,271,614	\$1,365,262	\$1,513,366	\$1,351,703	\$1,408,119	\$1,660,189	\$1,466,245		\$1,369,800				
Sept	\$1,369,878	\$1,401,017	\$1,523,474	\$1,407,707	\$1,493,952	\$1,440,056	\$1,544,462		\$1,330,000				
Oct	\$1,278,027	\$1,342,308	\$1,392,699	\$1,397,511	\$1,389,451	\$1,503,032	\$1,447,067		\$1,330,100				
Nov	\$1,261,963	\$1,340,457	\$1,446,687	\$1,396,643	\$1,515,210	\$1,510,894	\$1,462,498		\$1,397,600				
Dec	\$1,661,378	\$1,845,794	\$1,911,650	\$1,873,531	\$1,985,601	\$1,788,766	\$1,772,437		\$1,734,000				
Jan	\$1,143,685	\$1,309,305	\$1,274,292	\$1,353,575	\$1,392,917	\$1,358,902	\$1,348,872		\$1,272,000				
Feb	\$1,198,993	\$1,201,182	\$1,287,536	\$1,194,890	\$1,312,713	\$1,280,154	\$1,326,133		\$1,188,000				
Mar	\$1,392,759	\$1,424,090	\$1,481,645	\$1,457,518	\$1,477,699	\$1,484,980	\$1,493,996		\$1,372,000				
April	\$1,255,243	\$1,357,635	\$1,396,651	\$1,416,452	\$1,366,099	\$1,412,517	\$1,327,490		\$1,314,500				
May	\$1,343,786	\$1,393,582	\$1,353,162	\$1,442,890	\$1,492,028	\$1,527,469	\$1,460,029		\$1,382,400				
June	\$1,411,977	\$1,520,599	\$1,552,713	\$1,529,681	\$1,608,149	\$1,571,086	\$1,617,153		\$1,453,100				
Total	\$15,901,589	\$16,848,127	\$17,474,902	\$17,177,049	\$17,834,085	\$17,982,773	\$17,784,091		\$16,500,000	\$203,533	\$42,323	2.79%	15.00%

Local Option Sales Tax 2.25%



City of Kingsport

October 6, 2020

Project Status in Pictures

1 Riverfront Parking Facility

The asphalt binder work is nearly complete with upcoming work being concrete sidewalk and curb work.

3 Fort Robinson Sewer Improvements

The current project work includes replacing existing gravity sanitary sewer line.

5 Sevier Terrace Paving

The contractor has completed milling and in-house paving crews have taken over on Fain Avenue.

2 Stone Drive Sidewalks

Current work includes excavation and subgrade preparation in the vicinity of CVS and Dunkin Donuts.

4 Borden Park Tennis Court Lights

New lighting is coming to the Borden Park tennis courts. Crews are currently removing existing light poles.



Status Updates on Active Projects sorted by Cost

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	Current Status
\$13,500,000.00	Ryan McReynolds	SR 347 (Rock Springs Road) [State & MTPO funded]	TDOT Managed, joint funded reconstruction of the State portion of Rock Springs Road	12/31/2022	TDOT contract amendment approved by BMA and is routed for signatures. This reduced the local commitment from \$2.0 million to \$1.0 million MPO funds. Updated estimated cost to reflect amendment.
\$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	Appraisals for 11 of 12 properties affected were received 9/4/2020.
\$5,963,000.00	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	Rehab of West Kingsport SLS (#119) and installation of new forcemain to the WWTP.	12/31/2020	Wet well pre-work inspection complete - results favorable. FM E/I/B continues down Greenbelt. Demo still ongoing inside pump station.
\$3,500,000.00	Michael Thompson	Island Road Improvements from SR-126 to Kingsport City Limits	This project will realign Island Road to the southeast to improve vertical and horizontal roadway geometry for better traffic management and safety. The remaining unused portion of Island Road will be converted into a separated buffered multi-use path co	4/30/2024	Mattern & Craig still working on NEPA document.
\$2,888,300.00	Niki Ensor	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.	11/1/2020	Lift station and WWTP SCADA systems are functional. Completing final walkthroughs and creating punch list items.
\$2,508,812.00	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.	5/18/2021	9/29/20 - TEC mobilizing on site.
\$2,500,000.00	Michael Thompson	2021 Main Road Paving (MTPO Funded)	Paving of functionally classified roadways: Meadowview Pkwy, Moreland Dr, Cooks Valley, Fall Creek and Netherland Inn Road	12/31/2021	NEPA documents submitted to TDOT on 7/6/2020.
\$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	Architect is working on plans and having discussions with staff.
\$2,225,522.00	Ryan McReynolds	City Hall Relocation - Phase 2	Renovations of floors 1 & 2 for the consolidation of City offices to one location at 415 Broad Street.	12/23/2020	New generator has been delivered and wiring installation work has begun; interior drywall continues.
\$1,477,741.00	Chad Austin	Phase 5 Water Improvements	Project includes water line replacements in Fort Robinson area, Sherwood Road, Roller Street area, Gibson Mill area, and Waverly Road.	9/3/2021	Contractor to begin work in the fall.

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	Current Status
\$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	Barge is still working on NEPA documents.
\$1,000,000.00	Michael Thompson	Area 11b Asphalt Paving	Paving of asphalt streets in Upper Sevier Terrace (area between Fairview, W. Stone Drive, Lynn Garden Dr)	10/30/2020	Fairview Avenue has been paved. W&L milling additional streets in this area. City crews continue paving in this area.
\$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]	10/9/2020	Proof Rolling expected 10/02/2020; Paving to begin the week of 10/05/2020
\$873,345.88	Chad Austin	2019 I & I Sewer Rehab/Replacement	Project will include sanitary sewer rehab/replacement in the White Street/Gibson Mill area, Fort Robinson area, Konnarock Road, Brooks Street Alley, and DB Track & Field.	2/12/2021	Contractor is currently working in the Ft Robinson area.
\$699,000.00	Niki Ensor	Hillcrest & Allandale Water Storage Tank Rehabilitation	Will be a partial rehabilitaion Allandale tank and a full rehabilitation of Hillcrest Tank.	1/3/2021	Work is 95% complete on Hillcrest. Contractor awaiting materials for TideFlex mixing syse. Issues with TideFlex getting materials. They estimate 8 weeks for delivery. Once on site 5-7 days of work to complete tank.
\$670,291.15	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]	5/28/2021	Work is anticipated to begin near the first of September.
\$461,607.00	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%]	5/28/2021	Current work is in the vicinity of Dunkin Donuts and CVS Pharmacy.
\$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.	8/31/2021	TDOT to begin construction June 1, 2020; project estimated completion dated 8/31/2021
\$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
\$197,791.00	Kitty Frazier	Riverfront Parking Facility	Construction of a 23 space parking lot on the south side of Industry Drive.	11/24/2020	Concrete work for curb and sidewalk to begin soon.
\$135,715.47	Kitty Frazier	Preston Forest Park - Trails and Parking Improvements	Construction of parking and trails in Preston Forest Park.	10/16/2020	Project is complete except landscaping, bench installation, and asphalt coating.

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AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

**Tuesday, October 6, 2020, 7:00 p.m.
City Hall, 225 W. Center St., Courtroom**

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
Ken Weems, Planning Manager
Jessica Harmon, Assistant to City Manager

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG

II.B. INVOCATION – Pastor Trevor Knight, Rock Heritage Baptist Church

III.A. ROLL CALL

III.B. A determination by the board that meeting electronically with limited physical presence of the public at the meeting is necessary to protect public health, safety, and welfare or all concerned in light of the COVID-19 virus.

IV.A. RECOGNITIONS & PRESENTATIONS

None

IV.B. APPOINTMENTS

None

V. APPROVAL OF MINUTES

1. Work Session – September 14, 2020
2. Business Meeting – September 15, 2020

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

1. Amend Zoning of 606, 610, and 614 Arch Street from R-4 (Medium Density Apartment District) to R-5 (High Density Apartment District) (AF: 271-2020) (Ken Weems)
 - Public Hearing
 - Ordinance – First Reading
2. Amend Zoning of 4250, 4270, and 4280 W. Stone Drive from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District) (AF: 272-2020) (Ken Weems)
 - Public Hearing
 - Ordinance – First Reading
3. Amend Zoning of 800 Stonegate Road, Parcels 41.20, 23, and 23.20 from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District) (AF: 273-2020) (Ken Weems)
 - Public Hearing
 - Ordinance – First Reading

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. Appropriate Funds from the Department of Justice, Office of Justice Programs FY20 Edward Byrne Memorial Justice Assistance Grant Program (AF: 262-2020) (David Quillin)
 - Ordinance – First Reading
2. Accept a Private Monetary Donation for the Police Department and Appropriate Funds (AF: 270-2020) (David Quillin)
 - Resolution
 - Ordinance – First Reading

3. Amend the Current First Tennessee Agency on Aging Grant Contract Due to Corona Virus Grant and Appropriate Funds (AF: 259-2020) (Shirley Buchanan)
 - Resolution
 - Ordinance – First Reading

Withdrawn 10/6/20

- ~~4. Amend City Code of Ordinances Chapter 14 – Animals (AF: 275-2020) (Chris McCartt)~~

- ~~• Ordinance – First Reading~~

5. Budget Adjustment Ordinance for Various Funds in FY21 (AF: 267-2020) (Chris McCartt)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Amend Zoning Text to Make Various Changes to the PD, Planned Development Zoning District (AF: 246-2020) (Ken Weems)
 - Ordinance – Second Reading and Final Adoption
2. Amend Kingsport City Code Sections 98-497, 98-498, and 98-499 Pertaining to Traffic Enforcement Cameras (AF: 250-2020) (Chris McCartt)
 - Ordinance – Second Reading and Final Adoption
3. Budget Adjustment Ordinance for Various Funds in FY21 (AF: 248-2020) (Chris McCartt)
 - Ordinance – Second Reading and Final Adoption
4. Enter into a Materials Agreement with The Edinburgh Group, LLC Related to the Gibson Springs Phase 3 Development and Appropriate the Funds (AF: 217-2020) (Ryan McReynolds)
 - Ordinance – Second Reading and Final Adoption

D. OTHER BUSINESS

1. 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: 263-2020) (Chris McCartt)
 - Resolution
2. Approving a Real Estate Purchase and Sale Contract and Related Documents with Cayenne Rental Properties, GP to Purchase Unit 304 and Additional Areas Located in the Press Building Condominium (AF: 274-2020) (David Frye)
 - Resolution
3. Authorizing Qualified Tax-Exempt General Obligation School Capital Outlay Notes, Series 2020 (AF: 247-2020) (Chris McCartt, Sid Cox)
 - Resolution

4. Authorizing General Obligation Refunding Bonds, Series 2020 (AF: 265-2020) (Chris McCartt, Sid Cox)
 - Resolution
5. Amending the Continuing Municipal Advisory Services Agreement with Raymond James & Associates, Inc., to Include Project Amendment II, the Issuance and Sale of General Obligation Refunding Bonds, Series 2020 (AF: 264-2020) (Chris McCartt, Sid Cox)
 - Resolution
6. Agreement with Northeast State Community College and the City of Kingsport (AF: 254-2020) (Scott Boyd)
 - Resolution
7. Authorize the Reimbursement of Materials Agreement Funds to School House, LLC for the Cherokee Bend Phase 2 Development (AF: 257-2020) (Ryan McReynolds)
 - Resolution
8. Accept Property Donation at West Park Development (AF: 230-2020) (Chris McCartt)
 - Resolution
9. Execute an Amendment to the Contract between the City of Kingsport and the Tennessee Department of Environment and Conservation (TDEC) (AF: 261-2020) (Ryan McReynolds)
 - Resolution
10. Authorization to Apply for a TDOT "Multimodal Access Grant" for Sidewalks along Fort Henry Drive in Colonial Heights (AF: 175-2020) (Ryan McReynolds)
 - Resolution
11. Endorse the Industrial Highway Improvements Developed by the Tennessee Department of Transportation (TDOT) for Domtar Corporation (AF: 268-2020) (Ryan McReynolds)
 - Resolution

VII. CONSENT AGENDA

1. Approval of Offers for Right-of-Way and Easements (AF: 260-2020) (Ryan McReynolds)
 - Offers
2. Terminate Memorandum of Understanding with KHRA (AF: 276-2020) (Ken Weems)
 - Resolution

3. Ratify the Mayor's Signature Certifying Consistency with the Consolidated Plan (AF: 266-2020) (Ken Weems)
 - 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
Monday, September 14, 2020, 4:30 PM
Council Room – City Hall

PRESENT: 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
Angie Marshall, City Clerk/Deputy City Recorder
Ken Weems, Planning Manager
David Quillin, Police Chief
Scott Boyd, Fire Chief
John Morris, Budget Officer

1. **CALL TO ORDER:** 4:30 p.m. by Mayor Patrick W. Shull.
2. **ROLL CALL:** By Deputy City Recorder Marshall.
3. A determination by the board that meeting electronically and prohibiting the physical presence of the public at the meeting is necessary to protect public health, safety and welfare of all concerned in light of the COVID-19 virus.
Mayor Shull made this declaration and each alderman verbally affirmed.
4. **KEDB/NETWORKS UPDATE.** Craig Denison and Clay Walker presented this item and answered questions from the board.
5. **JUSTICE CENTER MASTER PLAN.** Deputy City Manager Ryan McReynolds gave a presentation on this item, highlighting how the space for the courts would be repurposed as IT moved out and into the new city hall. The property where city hall currently sits would become parking. Vice-Mayor George suggested parking needs be met in the other direction as the original presentation of this project put the current city hall property, which is prime real estate, back on the tax rolls. Alderman Adler agreed. Mr. McReynolds stated staff would consult with the planning group to readjust and report back to the board. Discussion followed.
6. **REVIEW OF AGENDA ITEMS ON THE SEPTEMBER 15, 2020 REGULAR BUSINESS MEETING AGENDA.** City Manager McCartt gave a summary for each item on the proposed agenda. The following items were discussed at greater length or received specific questions or concerns.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, September 14, 2020

VI.A.1 Amend Zoning Text to Make Various Changes to the PD, Planned Development Zoning District (AF: 246-2020). Planning Manager Ken Weems provided details to the code changes and answered questions from the board.

VI.B.1 Amend Kingsport City Code Sections 98-497, 98-498 and 98-499 Pertaining to Traffic Enforcement Cameras (AF: 250-2020). Mr. McCartt pointed out these changes kept the city code in line with state law and was a routine adjustment as laws were updated.

VI.D.4 Approve Termination of the Covenants and Restrictions for Miller Parke (AF: 252-2020). The city manager commented the developer needs five of the eight covenants adjusted to move forward with the project.

The City Manager commented the City's management of COVID money. Alderman Phillips stated he was asked about Halloween activities this year in light of the pandemic and commented the board and staff should consider if any changes need to be made or addressed. It was pointed out that with many activities being cancelled there would be more kids out to trick-or-treat. Alderman Adler suggested street closures may be necessary in some areas. Vice-Mayor George commented the Sullivan County Commission would be having a called meeting concerning a proposed 15 cent tax increase for the new jail and encouraged anyone with views to communicate them beforehand. Mayor Shull commented on the debate of wearing masks, noting the current mandate had been extended.

7. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Shull adjourned the meeting at 6:10 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 15, 2020, 7:00 PM
Large Court Room – City Hall

PRESENT: Board of Mayor and Aldermen
Mayor Patrick W. Shull, Presiding
Vice-Mayor Colette George
Alderman Jennifer Adler (via zoom call)
Alderman Betsy Cooper
Alderman Darrell Duncan
Alderman Tommy Olterman
Alderman James Phillips

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J Michael Billingsley, City Attorney
Sidney H. Cox, City Recorder/Chief Financial Officer
Angie Marshall, City Clerk/Deputy City Recorder

I. CALL TO ORDER: 7:00 p.m., by Mayor Patrick W. Shull.

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

II.B. INVOCATION: Children's Minister Helen Kern, First Baptist Church.

III.A. ROLL CALL: By City Recorder Cox. All Present.

III.B. A determination by the board that meeting electronically and prohibiting the physical presence of the public at the meeting is necessary to protect public health, safety and welfare of all concerned in light of the COVID-19 virus.
Mayor Shull made this declaration and each alderman verbally affirmed.

IV.A. RECOGNITIONS AND PRESENTATIONS.

1. Proclamation - Big Brothers Big Sisters Month (Mayor Shull).
2. Keep Kingsport Beautiful Beautification Awards (Sharon Hayes).

IV.B. APPOINTMENTS. None

V. APPROVAL OF MINUTES.

Motion/Second: Olterman/Cooper, to approve minutes for the following meetings:

- A. August 31, 2020 Regular Work Session
- B. September 1, 2020 Regular Business Meeting

Approved in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull voting "aye."

VI. COMMUNITY INTEREST ITEMS.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, September 15, 2020**

A. PUBLIC HEARINGS.

1. Amend Zoning Text to Make Various Changes to the PD, Planned Development Zoning District (AF: 246-2020) (Ken Weems).

PUBLIC COMMENT ON ITEM VI.A.1. None.

Motion/Second: Phillips/Adler, to pass:

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 114, ARTICLE III, DIVISION 6 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO VARIOUS CHANGES IN THE PD, PLANNED DEVELOPMENT ZONE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

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

PUBLIC COMMENT. Mayor Shull invited citizens in attendance to speak about any of the remaining agenda items. There being no one coming forward to speak, the Mayor closed the public comment segment.

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Amend Kingsport City Code Sections 98-497, 98-498 and 98-499 Pertaining to Traffic Enforcement Cameras (AF: 250-2020) (Chris McCartt).

Motion/Second: George/Duncan, to pass:

AN ORDINANCE TO AMEND SECTIONS 98-497, 98-498, AND 98-499 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO TRAFFIC ENFORCEMENT CAMERAS; TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Budget Adjustment for Various Funds in FY21 (AF: 248-2020) (Chris McCartt).

Motion/Second: Olterman/George, to pass:

AN ORDINANCE TO AMEND VARIOUS PROJECT FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2021; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Materials Agreement with The Edinburgh Group, LLC Related to the Gibson Springs Phase 3 Development and Appropriate the Funds (AF: 217-2020) (Ryan McReynolds).

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Motion/Second: Duncan/George, to pass:

Resolution No. 2021-054, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH THE EDINBURGH GROUP, LLC RELATED TO GIBSON SPRINGS PHASE 3 DEVELOPMENT AND AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

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

Motion/Second: Olterman/Phillips, to pass:

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO THE GIBSON SPRINGS PHASE 3 MATERIALS AGREEMENT PROJECTS (WA2150 AND SW2150); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Appropriate \$40,000.00 from the Tennessee Highway Safety Office's (THSO) FY21 Grant (AF: 234-2020) (David Quillin).

Motion/Second: Duncan/George, to pass:

ORDINANCE NO. 6888, AN ORDINANCE TO AMEND THE GENERAL PROJECT/SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE HIGHWAY SAFETY OFFICE (THSO) FOR THE YEAR ENDING JUNE 30, 2021; 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.”

2. Appropriate \$19,968.00 from the Tennessee Highway Safety Office's (THSO) FY21 Coordinator Grant (AF: 236-2020) (David Quillin).

Motion/Second: George/Adler, to pass:

ORDINANCE NO. 6889, AN ORDINANCE TO AMEND THE GENERAL PROJECT/SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE HIGHWAY SAFETY OFFICE (THSO) FOR THE YEAR ENDING JUNE 30, 2021; 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.”

3. Budget Adjustment for the Community Development Block Grant Fund in FY21 (AF: 240-2020) (Chris McCartt).

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Motion/Second: Cooper/Olterman, to pass:

ORDINANCE NO. 6890, AN ORDINANCE TO AMEND THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET FOR THE YEAR ENDING JUNE 30, 2021; 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.”

4. Budget Adjustment for the General Fund and the General Projects-Special Revenue Fund in FY20 (AF: 241-2020) (Chris McCartt). Vice-Mayor George made a motion to amend the ordinance by changing the date in the caption from June 30, 2021 to June 30, 2020 and the numbers NC2102 to NC2024 and NC2103 to NC2025 anywhere they appear in the ordinance.

Motion/Second: George/Olterman, to amend:

Motion/Second: Duncan/Cooper, to pass as amended:

ORDINANCE NO. 6891, AN ORDINANCE TO AMEND THE GENERAL FUND AND THE GENERAL PROJECTS-SPECIAL REVENUE FUND BUDGETS 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.”

5. Budget Adjustment for the MPO Fund in FY20 (AF: 242-2020) (Chris McCartt).

Motion/Second: Olterman/George, to pass:

ORDINANCE NO. 6892, AN ORDINANCE TO AMEND THE MPO PROJECT FUND BUDGET 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.”

D. OTHER BUSINESS.

1. Bid Award for Purchase of Three (3) Extended Cab with Utility Body Trucks (AF: 245-2020) (Ryan McReynolds, Steve Hightower).

Motion/Second: Duncan/George, to pass:

Resolution No. 2021-055, A RESOLUTION AWARDDING THE BID FOR THE PURCHASE OF THREE EXTENDED CAB WITH UTILITY BODY TRUCKS TO AUTO WORLD OF BIG STONE GAP AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

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

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**2. Award RFP for Customized Benchmark Assessment Program to
Certica Solutions, Inc. (AF: 255-2020) (David Frye).**

Motion/Second: Adler/Duncan, to pass:

Resolution No. 2021-056, A RESOLUTION AWARDING THE REQUEST FOR PROPOSALS FOR CUSTOMIZED BENCHMARK ASSESSMENT PROGRAM TO CERTICA SOLUTIONS, INC. AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull voting "aye."

**3. Bid Award for Purchase of One (1) Combination Jet Rodder
Truck (AF: 249-2020) (Ryan McReynolds, Steve Hightower).**

Motion/Second: George/Cooper, to pass:

Resolution No. 2021-057, A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE COMBINATION JET RODDER TRUCK TO SOUTHERN VAC AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

Passed in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull voting "aye."

**4. Approve Termination of the Covenants and Restrictions for
Miller Parke (AF: 252-2020) (Chris McCartt).**

Motion/Second: Duncan/George, to pass:

Resolution No. 2021-058, A RESOLUTION TO VOTE IN FAVOR OF THE TERMINATION OF COVENANTS AND RESTRICTIONS AS A LOT OWNER IN THE MILLER PARKE DEVELOPMENT IN KINGSFORT, SULLIVAN COUNTY, TENNESSEE; AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull voting "aye."

**5. Accept a Conveyance of Real Property to the City from the
Industrial Development Board of the City of Kingsport, Tennessee (AF: 251-2020)
(Chris McCartt).**

Motion/Second: Olterman/Phillips, to pass:

Resolution No. 2021-059, A RESOLUTION ACCEPTING CONVEYANCE OF REAL PROPERTY LAYING AT THE CORNER OF CLINCHFIELD STREET AND MARKET STREET IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY BY A SPECIAL WARRANTY DEED FROM THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY

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OF KINGSPORT, TENNESSEE; AND AUTHORIZING THE MAYOR TO EXECUTE ANY
AND ALL DOCUMENTS NECESSARY AND PROPER TO SIGNIFY ACCEPTANCE BY
THE CITY OF THE CONVEYANCE

Passed in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull
voting "aye."

**6. Renew Opt-In Agreement with Metro Nashville Public Schools
Contract #2-225071-08 and Education Networks of America, Inc. (ENA) for Voice
Services for 3-Year Term (AF: 256-2020) (David Frye).**

Motion/Second: Phillips/Olterman, to pass:

Resolution No. 2021-060, A RESOLUTION APPROVING THE RENEWAL OF AN OPT-
IN AGREEMENT WITH METRO NASHVILLE PUBLIC SCHOOLS CONTRACT#2-
225071-08 AND EDUCATION NETWORKS OF AMERICA, INC. FOR VOICE
SERVICES; AND AUTHORIZING THE MAYOR TO EXECUTE THE RENEWAL
AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO
EFFECTUATE THE PURPOSE OF THE RENEWAL

Passed in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull
voting "aye."

VII. CONSENT AGENDA. *(These items are considered under one motion.)*

Motion/Second: George/Phillips, to adopt:

**1. Adopt Updated Safety and Health Program As Required by the
Tennessee Occupational Safety and Health Act through the Tennessee Department
of Labor and Workforce Development (AF: 253-2020) (Chris McCartt).**

Pass:

Resolution No. 2021-061, A RESOLUTION APPROVING AN UPDATED
OCCUPATIONAL SAFETY AND HEALTH PROGRAM PLAN

Passed in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull
voting "aye."

**2. Approve Amendments to Master Documents for the Flexible
Spending Account and Section 125 Cafeteria Plan (AF: 244-2020) (George DeCroes).**

Pass:

Resolution No. 2021-062, A RESOLUTION AMENDING THE CITY OF KINGSPORT
MASTER DOCUMENT FOR THE SECTION 125 CAFETERIA PLAN AND AMENDING
A CITY OF KINGSPORT MASTER DOCUMENT FOR THE CITY OF KINGSPORT
FLEXIBLE SPENDING ACCOUNT FOR THE MEDICAL REIMBURSEMENT AND
DEPENDENT CARE REIMBURSEMENT AND AUTHORIZING THE MAYOR TO SIGN
BOTH DOCUMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO
EFFECTUATE THE PURPOSE OF THE ADOPTION

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

3. Amend the Community Agreement with First Tennessee Development District (AF: 243-2020) (Chris McCartt).

Pass:

Resolution No. 2021-063, A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH FIRST TENNESSEE DEVELOPMENT DISTRICT; AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

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

VIII. COMMUNICATIONS.

- A. CITY MANAGER.** Mr. McCartt informed citizens about a press release sent out earlier today asking for input into the new Scott Adams skate park. He also mentioned there was a call for muralists along the greenbelt. The city manager stated Halloween activities were a go for this year. Lastly he thanked the board for their support for the zoning text amendment tonight and its contribution to the housing initiative.
- B. MAYOR AND BOARD MEMBERS.** Alderman Phillips thanked Jessica Harmon and Ken Weems for their hard work on the code amendments, noting there is a desperate need for housing and a builder friendly city. He asked everyone to remember the police and fire department during this epidemic as social distancing isn't always an option. He commented on the 9/11 Stair Climb event which was held at the Bristol Motor Speedway this year instead of Holston Valley to allow for social distancing. Lastly, he asked citizens to remember the family of Ernie Rumsby who passed away earlier today. Alderman Cooper discussed the story of Kingsport and how often things are forgotten or taken for granted, noting activities and things she'd seen downtown on a recent walk. Alderman Olterman encouraged everyone to support local football and volleyball teams. He also commented on the recent passing of Ernie Rumsby, Fred Congdon and Sheriff Wayne Anderson. He thanked front line workers, including police, fire, and medical personnel. Alderman Adler stated the Chamber was hosting a virtual career fair tomorrow. She also commented on an upcoming drive-in movie event in downtown and encouraged citizens to reserve their spot. Lastly she recognized the Jewish New Year and commented on the significance of this day. Alderman Duncan recognized Ernie Rumsby and his contributions and also commented on the upcoming Keep Kingsport Beautiful Clean Sweep event. Vice-Mayor George also discussed the housing initiative and the need in Kingsport. Mayor Shull encouraged citizens to support local businesses and the wear masks.

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C. VISITORS. Mr. Paul Becker made comments to the board.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Shull adjourned the meeting at 8:17 p.m.

ANGELA MARSHALL
Deputy City Recorder

PATRICK W. SHULL
Mayor



AGENDA ACTION FORM

Amend Zoning of 606, 610, and 614 Arch Street from R-4 (Medium Density Apartment District) to R-5 (High Density Apartment District)

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

Action Form No.: AF-271-2020
 Work Session: October 5, 2020
 First Reading: October 6, 2020

Final Adoption: October 20, 2020
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- Hold public hearing
- Approve ordinance amending the zoning ordinance to rezone the property containing 606, 610, and 614 Arch Street from R-4, Medium Density Apartment District to R-5, High Density Apartment District.

Executive Summary:

This is an owner-requested rezoning of an approximately .42 acres located at 606, 610, and 614 Arch Street from R-4 (Medium Density Apartment District) to R-5 (High Density Apartment District). The applicant desires to construct a 14 unit apartment building on the property. During their September 2020 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation to rezone the property to the Board of Mayor and Aldermen by a vote of 7-0-1, with James Phillips recusing himself from the item. This rezoning effort has not received any public comment. The notice of public hearing was published on September 21, 2020.

Attachments:

1. Notice of Public Hearing
2. Zoning Ordinance
3. Staff Report

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on October 6, 2020 to consider the rezoning of parcels along Arch Street, Tax Map 46H, Parcels 11, 11.10, and 12 from the R-4 district to the R-5 district. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for rezoning is generally described as follows:

BEGINNING at an old 1/2 inch iron pin on the northeasterly right of way of Arch Street, corner to property of 2TNCANES, GP - Lot 28, Block 38, Kingsport Improvement Corporation, Addition #4; thence with the northeasterly right of way of Arch Street 3 calls : N 55° 45' W, 60.50' to a old 1 inch iron pipe; N 55°40' W, 60.00' to an old 1 inch iron pipe and N 55°44' W, 48.00' to a new iron pin, corner to property of Gary and Alice Meade Alexander – Lot 22 and part of Lot 23, Block 38, Kingsport Improvement Corporation, Addition #4; thence with Gary and Alice Meade Alexander – Lot 22 and part of Lot 23, Block 38, Kingsport Improvement Corporation, Addition #4 N 34°20' E, 108.00' to a new iron pin, corner to property of James and Crystal Phillips - Lot 18, Block 38, Kingsport Improvement Corporation, Addition #4; thence with James and Crystal Phillips - Lot 18, Block 38, Kingsport Improvement Corporation, Addition #4 S 55°33' E, 48.00' to an old 3/8 inch iron pin, corner to property of James William Phillips - Lot 2, Replat of Lots 16, 17, 29, 30 and 31, Block 38, City of Kingsport, Tennessee; thence with James William Phillips - Lot 2, Replat of Lots 16, 17, 29, 30 and 31, Block 38, City of Kingsport, Tennessee 2 calls : S 55°42' E, 120.13' to an old 3/8 inch iron pin and S 34°01' W, 50.12' to an old 3/8 inch iron pin, corner to property of 2TNCANES, GP - Lot 28, Block 38, Kingsport Improvement Corporation, Addition #4; thence with 2TNCANES, GP - Lot 28, Block 38, Kingsport Improvement Corporation, Addition #4 S 34°14' W, 57.75' to the point of BEGINNING, being 0.42 acres.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the Planning Manager for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-9401, ext. 5 or by emailing ADAContact@KingsportTN.gov at least 72 hours in advance. Copies of any documents used are available in accessible formats upon request.

CITY OF KINGSFORT
Angie Marshall, City Clerk
PIT: 9/21/2020

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG ARCH STREET FROM R-4, MEDIUM DENSITY APARTMENT DISTRICT TO R-5, HIGH DENSITY APARTMENT DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; 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 the zoning code, text, and map, be and the same is hereby further amended to rezone property located along Arch Street from R-4, Medium Density Apartment District to R-5, High Density Apartment District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at an old 1/2 inch iron pin on the northeasterly right of way of Arch Street, corner to property of 2TNCANES, GP - Lot 28, Block 38, Kingsport Improvement Corporation, Addition #4; thence with the northeasterly right of way of Arch Street 3 calls : N 55° 45' W, 60.50' to a old 1 inch iron pipe; N 55°40' W, 60.00' to an old 1 inch iron pipe and N 55°44' W, 48.00' to a new iron pin, corner to property of Gary and Alice Meade Alexander – Lot 22 and part of Lot 23, Block 38, Kingsport Improvement Corporation, Addition #4; thence with Gary and Alice Meade Alexander – Lot 22 and part of Lot 23, Block 38, Kingsport Improvement Corporation, Addition #4 N 34°20' E, 108.00' to a new iron pin, corner to property of James and Crystal Phillips - Lot 18, Block 38, Kingsport Improvement Corporation, Addition #4; thence with James and Crystal Phillips - Lot 18, Block 38, Kingsport Improvement Corporation, Addition #4 S 55°33' E, 48.00' to an old 3/8 inch iron pin, corner to property of James William Phillips - Lot 2, Replat of Lots 16, 17, 29, 30 and 31, Block 38, City of Kingsport, Tennessee; thence with James William Phillips - Lot 2, Replat of Lots 16, 17, 29, 30 and 31, Block 38, City of Kingsport, Tennessee 2 calls : S 55°42' E, 120.13' to an old 3/8 inch iron pin and S 34°01' W, 50.12' to an old 3/8 inch iron pin, corner to property of 2TNCANES, GP - Lot 28, Block 38, Kingsport Improvement Corporation, Addition #4; thence with 2TNCANES, GP - Lot 28, Block 38, Kingsport Improvement Corporation, Addition #4 S 34°14' W, 57.75' to the point of BEGINNING, being 0.42 acres.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

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 _____

Kingsport Regional Planning Commission
Rezoning Report

File Number 20-101-00007

Arch Street Rezoning

Property Information			
Address	606 Arch St., 610 Arch St., 614 Arch St., Kingsport, TN 37660		
Tax Map, Group, Parcel	Map 46H, Parcels 11, 11.10, 12		
Civil District	11		
Overlay District	n/a		
Land Use Designation	Single Family		
Acres	.42 acres +/-		
Existing Use	Vacant (Structures currently being razed)	Existing Zoning	R-4
Proposed Use	14 unit apartment bldg	Proposed Zoning	R-5
Owner /Applicant Information			
Name: James Phillips Address: 832 Ridgefields Rd City: Kingsport State: TN Zip Code: 37660 Phone: (423) 863-3998		Intent: <i>To rezone from R-4 (Medium Density Apartment District) to R-5 (High Density Apartment District) to accommodate a 14 dwelling unit apartment building.</i>	
Planning Department Recommendation			
<p>The Kingsport Planning Division recommends approval for the following reasons:</p> <ul style="list-style-type: none"> • <i>The R-5 zone proposal is appropriate for the area and considered an extension of the existing R-5 zone to the northeast side of the rezoning area.</i> • <i>The Arch Street area is transitioning from a single-family land use area to a multi-family land use area.</i> <p>Staff Field Notes and General Comments:</p> <ul style="list-style-type: none"> • <i>The proposal will allow the same use that is currently contained on the property that abuts the rezoning site on the northeast side. The appearance will be comparable as well.</i> • <i>As of September 10, 2020, the planning department has not received any public comment about the rezoning.</i> 			
Planner:	Ken Weems	Date:	September 8, 2020
Planning Commission Action		Meeting Date:	September 17, 2020
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

Kingsport Regional Planning Commission

Rezoning Report

File Number 20-101-00007

PROPERTY INFORMATION

ADDRESS	606 Arch St., 610 Arch St., 614 Arch St.
DISTRICT	11
OVERLAY DISTRICT	n/a
EXISTING ZONING	R-4 (Medium Density Apartment District)
PROPOSED ZONING	R-5 (High Density Apartment District)
ACRES	.42 +/-
EXISTING USE	Vacant land with a remaining home scheduled to be razed
PROPOSED USE	14 unit apartment building

PETITIONER

ADDRESS 832 Ridgefields Rd, Kingsport, TN 37660

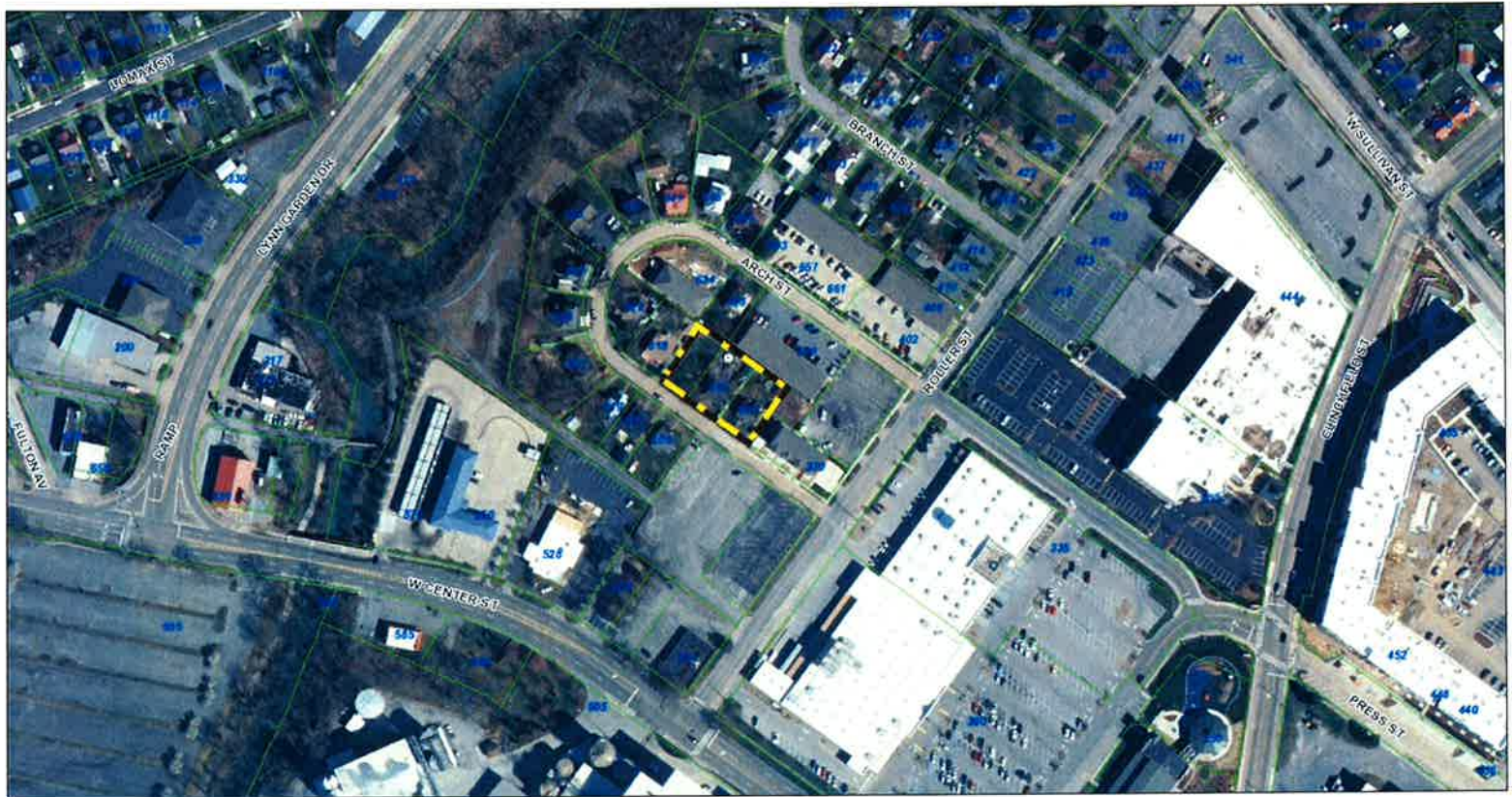
REPRESENTATIVE

PHONE (423) 863-3998

INTENT

Intent: To rezone from R-4 (Medium Density Apartment District) to R-5 (High Density Apartment District) to accommodate a 14 dwelling unit apartment building.

Vicinity Map
ArcGIS Web Map



9/8/2020, 9:02:13 AM

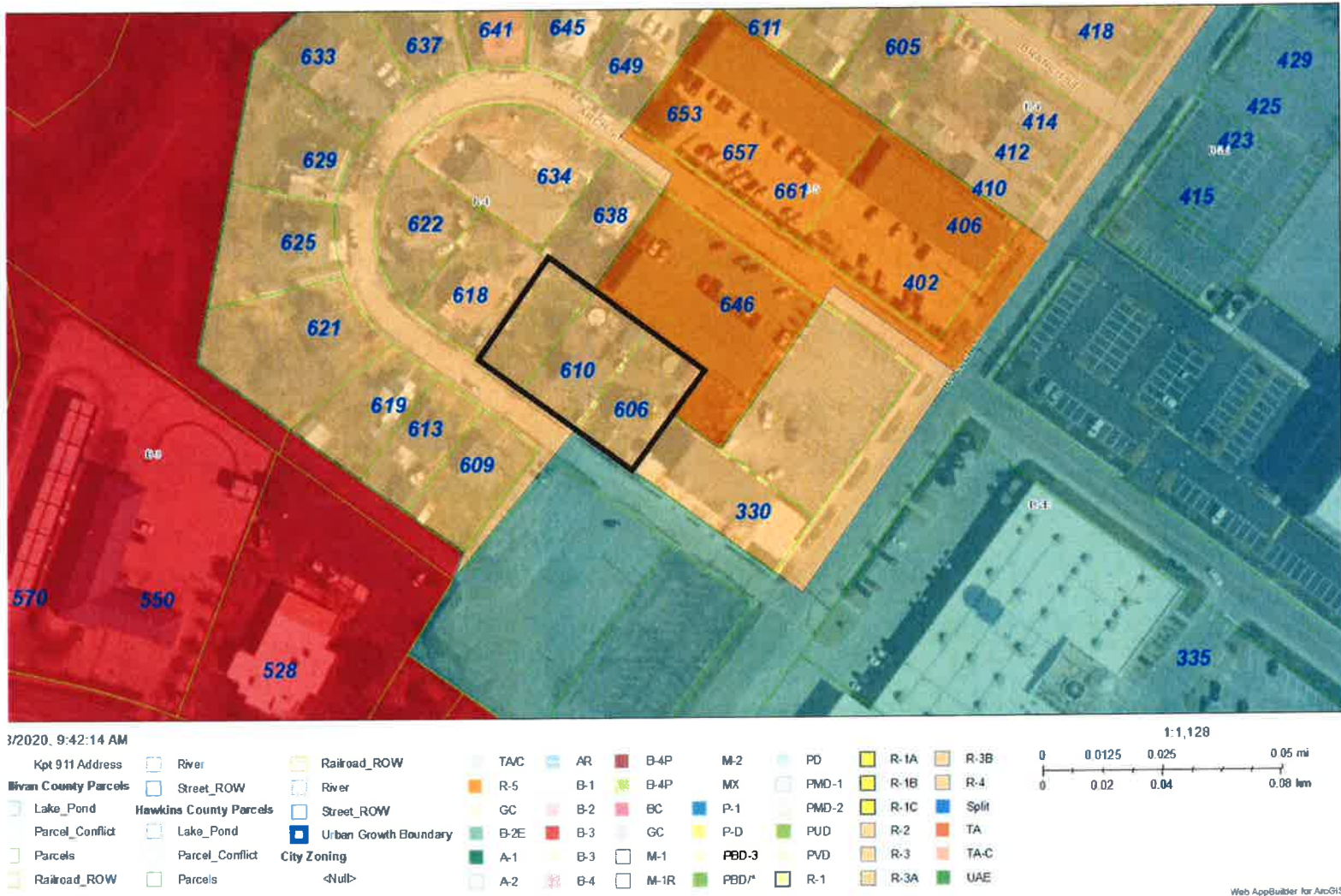
- | | | |
|-------------------------|------------------------|-----------------------|
| Kpt 911 Address | River | Railroad_ROW |
| Sullivan County Parcels | Street_ROW | River |
| Lake_Pond | Hawkins County Parcels | Street_ROW |
| Parcel_Conflict | Lake_Pond | Urban Growth Boundary |
| Parcels | Parcel_Conflict | |
| Railroad_ROW | Parcels | |



Web AppBuilder for ArcGIS

Surrounding Zoning Map

ArcGIS Web Map



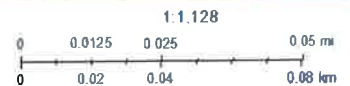
Future Land Use Plan 2030

ArcGIS Web Map



3/2020, 9:42:59 AM

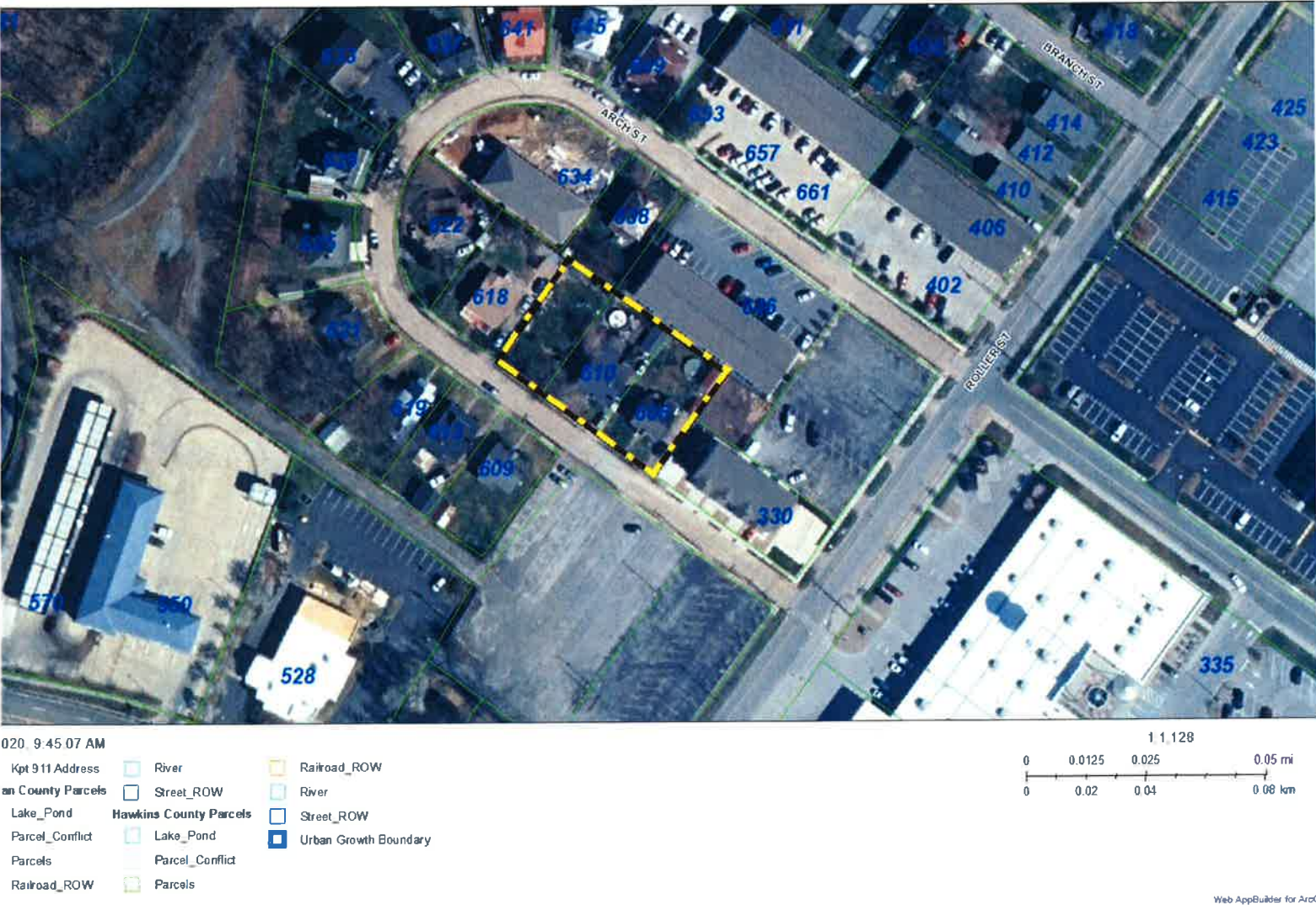
- | | | | |
|----------------------|-----------------|-----------------------|-------------------|
| Kpt 911 Address | River | Railroad_ROW | Single Family |
| Hiram County Parcels | Street_ROW | River | Multi-Family |
| Lake_Pond | Street_ROW | Street_ROW | Industrial |
| Parcel_Conflict | Lake_Pond | Urban Growth Boundary | Retail/Commercial |
| Parcels | Parcel_Conflict | Future Land Use | Public |
| Railroad_ROW | Parcels | Agri/Vacant | Utilities |



Web AppBuilder for ArcC

Aerial

ArcGIS Web Map



View Toward Roller St



North View of Rear Area of the Rezoning Site (Dog Park on Right)



West View (Arch Street)



Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Name	History Zoning Action Variance Action
North, East, Northwest	1	<u>Zone: City R-4</u> Use: apartment building	n/a
Further North and Northwest	2	<u>Zone: City R-4</u> Use: Single Family	n/a
East	3	<u>Zone: City R-4</u> Use: parking lot	n/a
Further East	4	<u>Zone: City B-2E</u> Use: Food City Shopping Center Complex	n/a
Southeast and South	5	<u>Zone: City B-2E</u> Use: parking lot	n/a
Further South	6	<u>Zone: City B-3</u> Use: parking lot	n/a
West	7	<u>Zone: City R-4</u> Use: single family	n/a

EXISTING USES LOCATION MAP



Rezoning Report

Zoning Development Plan

SITE DATA:

610 ARCH STREET
KINGSPORT, TENNESSEE

ZONING (CURRENT): R-4 (MEDIUM DENSITY
APARTMENT DISTRICT, 20 UNITS / ACRE)
ZONING (PROPOSED): R-5 (HIGH DENSITY
APARTMENT DISTRICT, 40 UNITS / ACRE)

SIZE: 18,166 SF (0.42 ACRES)±

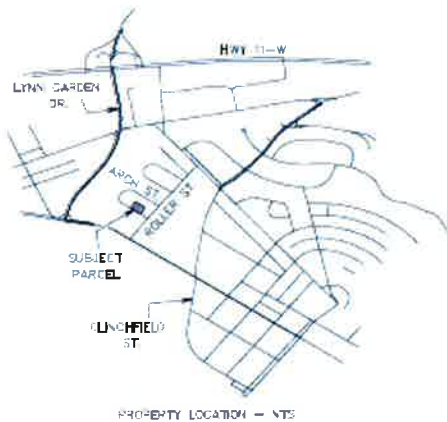
SETBACKS: NONE

PROPOSED PAVED PARKING: 5,882 SF
(24 SPACES)

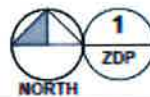
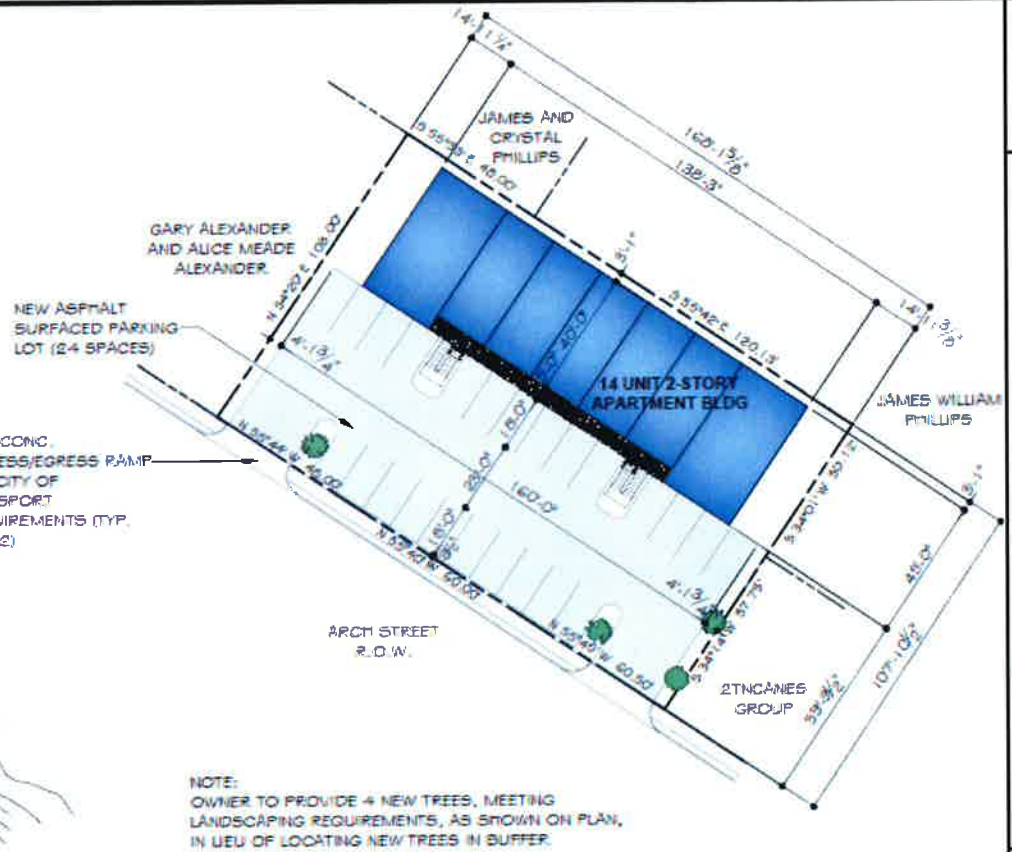
PROPOSED BUILDING:
2-STORY, 14 UNIT APARTMENT BUILDING
11,622 GSF
6,511 SF FOOTPRINT

NOTE: THE SITE IS ESSENTIALLY FLAT SO
NO TOPOGRAPHIC INFORMATION HAS
BEEN PROVIDED

NEW CONC.
INGRESS/EGRESS RAMP
PER CITY OF
KINGSPORT
REQUIREMENTS (TYP.
FOR 2)



PROPERTY LOCATION - NTS



ARCHITECTURAL SITE PLAN

SCALE: 1" = 30'-0"



ZONING DEVELOPMENT PLAN

610 ARCH STREET
KINGSPORT, TENNESSEE

ZDP
20-20-00028
6/7/2020

DEVELOPMENT STANDARDS : R-5

District minimum requirements:

- Maximum density is 40 dwelling units per acre/ proposed density= 33.9 du/acre
- Parking required: 1.5 spaces per unit/ site plan identified parking: 1.66 spaces per unit

The ZDP indicates compliance with the development standards in an R-5 District.

Standards of Review

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 10, below, as well as any other factors it may find relevant.

1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby Property?** The proposal will permit a use that is suitable with adjacent property as multi-family use and zone.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The adjacent and nearby property will not be adversely affected by the proposal. The proposed apartment units will be in keeping with the existing (recently constructed) apartments.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property has a reasonable economic use as currently zoned. There is also a reasonable economic use for the proposed zone with similar density calculations to the adjacent apartments.
4. **Whether the proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools?** The proposal will not cause a burdensome use of existing streets, transportation facilities, or schools.
5. **Whether the proposal is in conformity with the policies and intent of the land use plan?**

Proposed use: 14 unit apartment building

The Future Land Use Plan Map recommends Single Family

6. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The existing conditions support approval of the proposed rezoning.
7. **Whether the zoning proposal will permit a use which can be considered environmentally adverse to the natural resources, environment and citizens of the City of Kingsport?** There are no adverse uses proposed.

8. **Whether the change will create an isolated district unrelated to similar districts:** The proposed rezoning will be an extension of the existing R-5 zone to the northeast.
9. **Whether the present district boundaries are illogically drawn in relation to existing conditions?** The present district boundaries are logically drawn as is in comparison to the existing conditions.
10. **Whether the change will constitute a grant of special privilege to an individual as contrasted to the general welfare?** The change will not allow a special privilege to an individual as contrasted to the general welfare.

CONCLUSION

Staff recommends sending a positive recommendation to the BMA to rezone from R-4 to R-5. The proposal is in keeping with current and trending land use and density in the vicinity.



AGENDA ACTION FORM

Amend Zoning of 4250, 4270, and 4280 W. Stone Drive from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District)

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

Action Form No.: AF-272-2020
 Work Session: October 5, 2020
 First Reading: October 6, 2020

Final Adoption: October 20, 2020
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- Hold public hearing
- Approve ordinance amending the zoning ordinance to rezone the property containing 4250, 4270, and 4280 W. Stone Drive from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District).

Executive Summary:

This is an owner-requested rezoning of an approximately 7.6 acres located at 4250, 4270, and 4280 W. Stone Drive from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District). The applicant desires to construct 86 townhouse units on the property. During their September 2020 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation to rezone the property to the Board of Mayor and Aldermen by a vote of 8-0. This rezoning effort has not received any public comment. The notice of public hearing was published on September 21, 2020.

Attachments:

1. Notice of Public Hearing
2. Zoning Ordinance
3. Staff Report

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on October 6, 2020 to consider the rezoning of parcels along W. Stone Drive, Tax Map 022, Parcels 73, 73.02, and 73.03 from the B-3 district to the R-3 district. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for rezoning is generally described as follows:

Commencing at Kingsport Geodetic Reference Monument 029 at the intersection of West Stone Drive and Netherland Inn Road; thence departing said monument and continuing N. 15° -01' 54" E. 222.80' to a 1/2" rebar; thence departing said rebar and continuing N. 03° 10' 1211W. 20.58 to the Point of Beginning at a rebar and cap stamped "TN 1599", said rebar being in the northerly right-of-way line of West Stone Drive, corner to First Bank & Trust Company of Tennessee (Deed Book 416, page 315 and Deed Book 416, page 312) and Kingsport Power Company (Deed Book 119, page 253); thence departing said rebar and continuing coincident with the divisional line between First Bank & Trust Company of Tennessee and Kingsport Power Company the following two calls: N. 02° 50' 53" W. 257.06' to a rebar and cap stamped "TN 1599"; thence N. 02° 49' 20" W. 512.21' to a rebar and cap stamped "IRLS 891", corner to First Bank & Trust Company of Tennessee, Kingsport Power Company, Timber Ridge Subdivision and Kingsport Housing Authority (Deed Book 272, page 329); thence departing said rebar and continuing coincident with the divisional line between First Bank & Trust Company of Tennessee and Kingsport Housing Authority the following two calls: N. 89° 49' 19" E. 313.98' to a rebar and cap stamped "RLS 891"; thence S. 89° 58' 54" E. 199.82' to a " pipe corner to First Bank & Trust Company of Tennessee, Kingsport Housing Authority, Rotherwood Heights and Eighty Four Development(Deed Book 256;page 1);thence departing said pipe and continuing coincident with the divisional line between First Bank & Trust Company of Tennessee and Eighty Four Development the following two calls: S. 02° 29' 28" E. 260.72' to a rebar and cap stamped "TN 1599"; thence S. 02° 29' 28" E. 260.72' to a rebar and cap stamped "TN 1599" in the right-of-way line of West Stone Drive, corner to First Bank & Trust Company of Tennessee and Eighty Four Development; thence departing said rebar and continuing coincident with said right-of-way line the following five calls: S. 71° 10' 15" W. 150.34' to a rebar and cap stamped "TN 1599"; thence S. 71° 11' 25" W. 59.98' to a rebar and cap stamped "TN 1959"; thence S. 71° 08' 10" W. 142.36' to a rebar and cap stamped "Miller Land Surveying LLC"; thence with the arc of a curve to the right having a chord bearing and distance of S. 71° 15' 06" W. 15.40', a radius of 5619.65' and an arc length of 15.40' to a rebar and cap stamped "TN1599"; thence with the arc of a curve to the right having a chord bearing and distance S. 72° 07' 24" W. 161.82', and a radius of 5619.65' and an arc length of 161.83' to the Beginning containing 8.06 acres more or less.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the Planning Manager for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-9401, ext. 5 or by emailing ADAContact@KingsportTN.gov at least 72 hours in advance. Copies

of any documents used are available in accessible formats upon request.

CITY OF KINGSPORT
Angie Marshall, City Clerk
PIT: 9/21/2020

ORDINANCE NO. _____

PRE-FILED
CITY RECORDER

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG W. STONE DRIVE FROM B-3, HIGHWAY ORIENTED BUSINESS DISTRICT TO R-3, LOW DENSITY APARTMENT DISTRICT IN THE 1ST CIVIL DISTRICT OF HAWKINS COUNTY; 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 KINGSFORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property located along W. Stone Drive from B-3, Highway Oriented Business District to R-3, Low Density Apartment District in the 1st Civil District of Hawkins County; said area to be rezoned being further and more particularly described as follows:

Commencing at Kingsport Geodetic Reference Monument 029 at the intersection of West Stone Drive and Netherland Inn Road; thence departing said monument and continuing N. 15° -01' 54" E. 222.80' to a 1/2" rebar; thence departing said rebar and continuing N. 03° 10' 1211W. 20.58 to the-Point of Beginning at a rebar and cap stamped "TN 1599", said rebar being in the northerly right-of-way line of West Stone Drive, corner to First Bank & Trust Company of Tennessee (Deed Book 416, page 315 and Deed Book 416, page 312) and Kingsport Power Company (Deed Book 119, page 253); thence departing said rebar and continuing coincident with the divisional line between First Bank & Trust Company of Tennessee and Kingsport Power Company the following two calls: N. 02° 50' 53" W. 257.06' to a rebar and cap stamped "TN 1599"; thence N. 02° 49' 20" W. 512.21' to a rebar and cap stamped IIRLS 891", corner to First Bank & Trust Company of Tennessee, Kingsport Power Company, Timber Ridge Subdivision and Kingsport Housing Authority (Deed Book 272, page 329); thence departing said rebar and continuing coincident with the divisional line between First Bank & Trust Company of Tennessee and Kingsport Housing Authority the following two calls: N. 89° 49' 19" E. 313.98' to a rebar and cap stamped "RLS 891"; thence S. 89° 58' 54" E. 199.82' to a " pipe corner to First Bank & Trust Company of Tennessee, Kingsport Housing Authority, Rotherwood Heights and Eighty Four Development(Deed Book 256;page 1);thence departing said pipe and continuing coincident with the divisional line between First Bank & Trust Company of Tennessee and Eighty Four Development the following two calls: S. bi' 33' 48" E. 340.59' to a rebar and cap stamped "TN 1599"; thence S. 02° 29' 28" E. 260.72' to a rebar and cap stamped "TN 1599" in the right-of-way line of West Stone Drive, corner to First Bank & Trust Company of

Tennessee and Eighty Four Development; thence departing said rebar and continuing coincident with said right-of-way line the following five calls: S. 71° 10' 15" W. 150.34' to a rebar and cap stamped "TN 1599"; thence S. 71° 11' 25" W. 59:98' to a rebar and cap stamped "TN 1959"; thence S. 71° 08' 10" W. 142.36' to a rebar and cap stamped "Miller Land Surveying LLC"; thence with the arc of a curve to the right having a chord bearing and distance of S. 71° 15' 06" W. 15.40', a radius of 5619.65' and an arc length of 15.40' to a rebar and cap stamped "TN1599"; thence with the arc of a curve to the right having a chord bearing and distance S. 72° 07' 24" W. 161.82', and a radius of 5619.65' and an arc length of 161.83' to the Beginning containing 8.06 acres more or less.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

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 _____

Kingsport Regional Planning Commission
Rezoning Report

File Number 20-101-00008

North Park Rezoning

Property Information			
Address		4250, 4270, and 4280 W. Stone Dr., Kingsport, TN 37660	
Tax Map, Group, Parcel		Map 022, Parcels 73, 73.02, and 73.03	
Civil District		1	
Overlay District		n/a	
Land Use Designation		Retail/ Commercial	
Acres		7.6 acres +/-	
Existing Use	Vacant	Existing Zoning	B-3
Proposed Use	86 townhouse units	Proposed Zoning	R-3
Owner /Applicant Information			
Name: Carla Karst Address: 1504 Dobyns Dr. City: Kingsport State: TN Zip Code: 37664 Phone: (423) 967-1690		Intent: <i>To rezone from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District) to accommodate 86 townhouse units.</i>	
Planning Department Recommendation			
The Kingsport Planning Division recommends approval for the following reasons: <ul style="list-style-type: none"> <i>The R-3 zone proposal is appropriate for the area and considered an extension of the existing R-3 zone north of the rezoning area.</i> <i>The development will be served by private drives off of W. Stone Drive.</i> Staff Field Notes and General Comments: <ul style="list-style-type: none"> <i>The proposal will allow the same use that is currently contained on the property that abuts the rezoning site on the north side.</i> <i>As of September 10, 2020, the planning department has not received any public comment about the rezoning.</i> <i>Note that a portion of the maps are blacked out due to the nearby presence of BAE. Staff is working to regain the aerals in the same vicinity.</i> 			
Planner:	Ken Weems	Date:	September 8, 2020
Planning Commission Action		Meeting Date:	September 17, 2020
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

Rezoning Report

Kingsport Regional Planning Commission

File Number 20-101-00008

PROPERTY INFORMATION

ADDRESS	4250, 4270, and 4280 W. Stone Dr., Kingsport, TN 37660
DISTRICT	1
OVERLAY DISTRICT	n/a
EXISTING ZONING	B-3 (Highway Oriented Business District)
PROPOSED ZONING	R-3 (Low Density Apartment District)
ACRES	7.6 +/-
EXISTING USE	Vacant land
PROPOSED USE	86 townhouse units

PETITIONER

ADDRESS 1504 Dobyys Dr., Kingsport, TN 37664

REPRESENTATIVE

PHONE (423) 967-1690

INTENT

Intent: To rezone from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District) to accommodate 86 townhouse units.

Vicinity Map

ArcGIS Web Map



9/8/2020, 2:45:16 PM

Sullivan County Parcels

Lake_Pond

Parcel_Conflict

Parcels

Railroad_ROW

River

Hawkins County Parcels

Lake_Pond

Parcel_Conflict

Parcels

Railroad_ROW

Street_ROW

River

Street_ROW

Urban_Growth_Boundary

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Web AppBuilder for ArcGIS

Prepared by Kingsport Planning Department for the
Kingsport Regional Planning Commission Meeting on September 17, 2020

9/28/2020

Page 3 of 11

File Number 20-101-00008

ArcGIS Web Map



Kpt 911 Address	River	Railroad_ROW
Ilwaco County Parcels	Street_ROW	River
Lake_Pond	Hawkins County Parcels	Street_ROW
Parcel_Conflict	Lake_Pond	Urban_Growth_Boundary
Parcels	Parcel_Conflict	City_Zoning
Railroad_ROW	Parcels	<Null>

TAC	AR	B-4P	M-2	PD	R-1A	R-3B
R-5	B-1	B-4P	MX	PMD-1	R-1B	R-4
GC	B-2	BC	P-1	PMD-2	R-1C	Split
B-2E	B-3	GC	P-D	PUD	R-2	TA
A-1	B-3	M-1	PBD-3	PVD	R-3	TA-C
A-2	B-4	M-1R	PBD*	R-1	R-3A	UAE

Web AppBuilder for ArcGIS

Future Land Use Plan 2030

ArcGIS Web Map



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- Kpt 911 Address
- Hawkins County Parcels
- Parcel_Conflict
- Parcels
- Railroad_ROW
- River
- Street_ROW
- Lake_Pond
- Parcel_Conflict
- Parcels
- Railroad_ROW
- River
- Street_ROW
- Urban Growth Boundary
- Future Land Use
- Agri/Vacant
- Single Family
- Multi-Family
- Industrial
- Retail/Commercial
- Public
- Utilities



Web AppBuilder for ArcGIS

Aerial

ArcGIS Web Map



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| Kpt 911 Address | River | Railroad_ROW |
| Ilwaco County Parcels | Street_ROW | River |
| Lake_Pond | Hawkins County Parcels | Street_ROW |
| Parcel_Conflict | Lake_Pond | Urban Growth Boundary |
| Parcels | Parcel_Conflict | |
| Railroad_ROW | Parcels | |

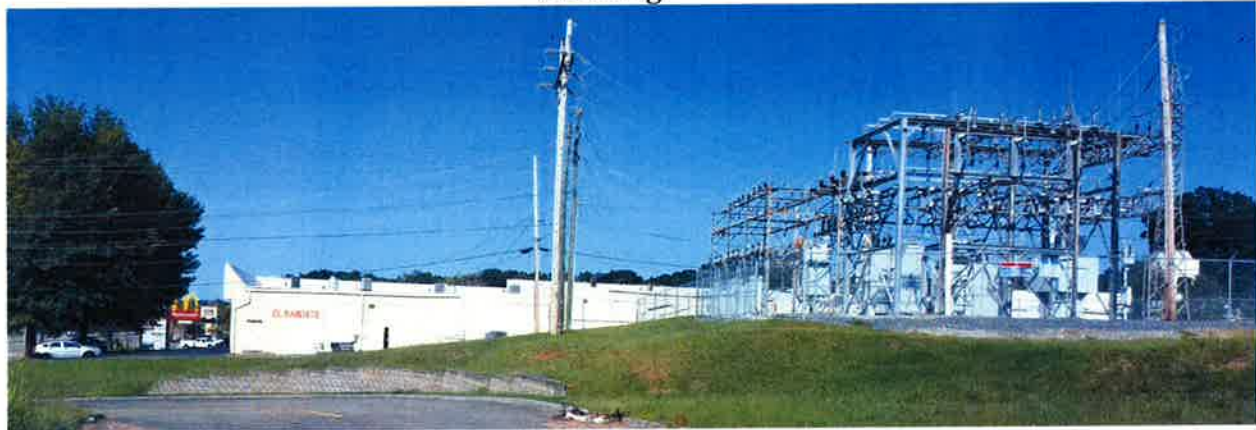


Web AppBuilder for ArcGIS

View Toward W. Stone Dr.



View of Abutting AEP Station



Northern Extent of Site



Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Name	History Zoning Action Variance Action
North, East, Northwest	1	<u>Zone: City R-3</u> Use: apartment development	n/a
Further North and Northwest	2	<u>Zone: City R-1B</u> Use: Single Family	n/a
East	3	<u>Zone: City M-1R</u> Use: vacant structure	n/a
Further East	4	<u>Zone: City B-3</u> Use: Fitness Center	n/a
Southeast and South	5	<u>Zone: City B-3</u> Use: vacant lot	n/a
Further South	6	<u>Zone: City B-3</u> Use: parking lot	n/a
West	7	<u>Zone: City B-3</u> Use: Verizon Store	n/a

EXISTING USES LOCATION MAP



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File Number 20-101-00008

4220 4320 4330 4334 4336 4346 4348 4350 4352 4354 4356 4360 4364 4368

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WEST STONE DR

RAILROAD

PROPOSED

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DEVELOPMENT STANDARDS : R-3

District minimum requirements:

- Maximum density is 15 dwelling units per acre/ proposed density= 11.3 du/acre
- Parking required: 1.5 spaces per unit/ site plan identified parking: 2 spaces per unit (one inside a private garage and one in the driveway) plus 28 additional parking spaces throughout the site

The ZDP indicates compliance with the development standards in an R-3 District.

Standards of Review

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 10, below, as well as any other factors it may find relevant.

1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby Property?** The proposal will permit a use that is suitable with adjacent property as a multi-family use and zone.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The adjacent and nearby property will not be adversely affected by the proposal.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property has a reasonable economic use as currently zoned. There is also a reasonable economic use for the proposed zone with similar density calculations to the adjacent apartments.
4. **Whether the proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools?** The proposal will not cause a burdensome use of existing streets, transportation facilities, or schools.
5. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The existing conditions support approval of the proposed rezoning.

6. **Whether the zoning proposal will permit a use which can be considered environmentally adverse to the natural resources, environment and citizens of the City of Kingsport?** There are no adverse uses proposed.
7. **Whether the change will create an isolated district unrelated to similar districts:** The proposed rezoning will be an extension of the existing R-3 zone to the north.
8. **Whether the present district boundaries are illogically drawn in relation to existing conditions?** The present district boundaries are logically drawn as is in comparison to the existing conditions.
9. **Whether the change will constitute a grant of special privilege to an individual as contrasted to the general welfare?** The change will not allow a special privilege to an individual as contrasted to the general welfare.

CONCLUSION

Staff recommends sending a positive recommendation to the BMA to rezone from B-3 to R-3. The proposal is a suitable proposal for the site.



AGENDA ACTION FORM

Amend Zoning of 800 Stonegate Road, Parcels 41.20, 23, and 23.20 from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District)

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

Action Form No.: AF-273-2020
 Work Session: October 5, 2020
 First Reading: October 6, 2020

Final Adoption: October 20, 2020
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- Hold public hearing
- Approve ordinance amending the zoning ordinance to rezone the property containing 800 Stonegate Road, Parcels 41.20, 23, and 23.20 from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District).

Executive Summary:

This is an owner-requested rezoning of an approximately 16 acres located at 800 Stonegate Road, parcels 41.20, 23, and 23.20 from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District). The applicant desires to construct 77 single family homes and 14 townhouse apartments on the property. During their September 2020 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation to rezone the property to the Board of Mayor and Aldermen by a vote of 8-0. This item received opposition from two people during the meeting. The opposition was generated from the belief that the rezoning will facilitate an expansion of the existing apartments on the north side of the rezoning site. The notice of public hearing was published on September 21, 2020.

Attachments:

1. Notice of Public Hearing
2. Zoning Ordinance
3. Staff Report

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on October 6, 2020 to consider the rezoning of parcels along Stonegate Road and Clinton Street, Tax Map 45C, 45D, 45E, and 45F, Parcels 23, 23.20, and a portion of 41.20 from the B-3 district to the R-3 district. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for rezoning is generally described as follows:

BEGINNING at a point, said point being the southern corner of parcel 23 in common with the eastern right-of-way of Stonegate Road, Tax Map 45D, thence in a northwesterly direction, crossing the right-of-way of Stonegate Road, approximately 65 feet to a point, said point being the southern corner of parcel 41.20 in common with the western right-of-way of Stonegate Road; thence in a westerly direction, following the southern boundary of parcel 41.20, approximately 437 feet to a point, said point being the northwestern corner of parcel 43; thence in a northwesterly direction, following the eastern boundary of Interstate 26, approximately 1,123 feet to a point, said point lying on the boundary of parcel 41.20 in common with the eastern boundary of Interstate 26 right-of-way; thence in an easterly direction, approximately 901 feet to a point, said point lying on the centerline of Stonegate Road right-of-way; thence in a southerly direction, following the centerline of Stonegate Road right-of-way, approximately 731 feet to a point, said point lying on the centerline of Stonegate Road right-of-way; thence in a northeasterly direction, crossing over Stonegate Road right-of-way, following the centerline of Clinton Street approximately 221 feet to a point, said point lying on the centerline of Clinton Street; thence in a southeasterly direction, crossing through Clinton Street right-of-way and following the eastern boundary of parcel 23.20, approximately 194 feet to a point, said point being the southeastern corner of parcel 23 in common with the western right-of-way of Riverside Avenue; thence in a southwesterly direction, approximately 214 feet to the point of BEGINNING, and being all of parcels 23, 23.20, and a portion of 41.20 as well as a portion of Stonegate Road, approximately 950 feet in length, and a portion of Clinton Street, approximately 221 feet in length, Tax Maps 45C, 45D, 45E, and 45F as shown on the July 2020 Sullivan County Tax Maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the Planning Manager for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-9401, ext. 5 or by emailing ADAContact@KingsportTN.gov at least 72 hours in advance. Copies of any documents used are available in accessible formats upon request.

CITY OF KINGSPORT
Angie Marshall, City Clerk
PIT: 9/21/2020

ORDINANCE NO. _____

PRE-FILED CITY RECORDER

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG STONEGATE ROAD FROM B-3, HIGHWAY ORIENTED BUSINESS DISTRICT TO R-3, LOW DENSITY APARTMENT DISTRICT IN THE 11TH AND 12TH CIVIL DISTRICTS OF SULLIVAN COUNTY; 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 KINGSFORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property located along Stonegate Road from B-3, Highway Oriented Business District to R-3, Low Density Apartment District in the 11th and 12th Civil Districts of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the southern corner of parcel 23 in common with the eastern right-of-way of Stonegate Road, Tax Map 45D, thence in a northwesterly direction, crossing the right-of-way of Stonegate Road, approximately 65 feet to a point, said point being the southern corner of parcel 41.20 in common with the western right-of-way of Stonegate Road; thence in a westerly direction, following the southern boundary of parcel 41.20, approximately 437 feet to a point, said point being the northwestern corner of parcel 43; thence in a northwesterly direction, following the eastern boundary of Interstate 26, approximately 1,123 feet to a point, said point lying on the boundary of parcel 41.20 in common with the eastern boundary of Interstate 26 right-of-way; thence in an easterly direction, approximately 901 feet to a point, said point lying on the centerline of Stonegate Road right-of-way; thence in a southerly direction, following the centerline of Stonegate Road right-of-way, approximately 731 feet to a point, said point lying on the centerline of Stonegate Road right-of-way; thence in a northeasterly direction, crossing over Stonegate Road right-of-way, following the centerline of Clinton Street approximately 221 feet to a point, said point lying on the centerline of Clinton Street; thence in a southeasterly direction, crossing through Clinton Street right-of-way and following the eastern boundary of parcel 23.20, approximately 194 feet to a point, said point being the southeastern corner of parcel 23 in common with the western right-of-way of Riverside Avenue; thence in a southwesterly direction, approximately 214 feet to the point of BEGINNING, and being all of parcels 23, 23.20, and a portion of 41.20 as well as a portion of Stonegate Road, approximately 950 feet in length, and a portion of Clinton Street, approximately 221 feet in length, Tax Maps 45C,

45D, 45E, and 45F as shown on the July 2020 Sullivan County Tax Maps.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

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 _____

Kingsport Regional Planning Commission
Rezoning Report

File Number 20-101-00008

Stonegate Road Rezoning

Property Information			
Address		800 Stonegate Road, Kingsport, TN 37660	
Tax Map, Group, Parcel		Map 045C, Parcels 41.20, 23.20, and 23	
Civil District		11 and 12	
Overlay District		n/a	
Land Use Designation		Retail/ Commercial	
Acres		16 acres +/-	
Existing Use	Vacant (former Walmart and Car Wash)	Existing Zoning	B-3
Proposed Use	77 single family and 14 townhouse apartments	Proposed Zoning	R-3
Owner /Applicant Information			
Name: Carla Karst Address: 1504 Dobyns Dr. City: Kingsport State: TN Phone: (423) 967-1690		Zip Code: 37664 Intent: <i>To rezone from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District) to accommodate 77 single family and 14 townhouse apartments.</i>	
Planning Department Recommendation			
<p>The Kingsport Planning Division recommends approval for the following reasons:</p> <ul style="list-style-type: none"> <i>The R-3 zone proposal is appropriate for the area and considered an extension of the existing R-3 zone north of the rezoning area.</i> <i>The development will be served by Stonegate Road, Clinton Street, Riverside Avenue, and new public streets proposed internal to the development.</i> <i>A portion of the parent parcel for 800 Stonegate Road is already zoned R-3.</i> <p>Staff Field Notes and General Comments:</p> <ul style="list-style-type: none"> <i>The proposal will allow the same use that is currently contained on the property that abuts the rezoning site on the north side.</i> <i>As of September 10, 2020, the planning department has not received any public comment about the rezoning.</i> 			
Planner:	Ken Weems	Date:	September 10, 2020
Planning Commission Action		Meeting Date:	September 17, 2020
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

PROPERTY INFORMATION

ADDRESS	800 Stonegate Road, Kingsport, TN 37660
DISTRICT	11 and 12
OVERLAY DISTRICT	n/a
EXISTING ZONING	B-3 (Highway Oriented Business District)
PROPOSED ZONING	R-3 (Low Density Apartment District)
ACRES	16 +/-
EXISTING USE	Vacant land (former Walmart and Car Wash businesses)
PROPOSED USE	77 single family and 14 townhouse apartments

PETITIONER
ADDRESS **1504 Dobyys Dr., Kingsport, TN 37664**

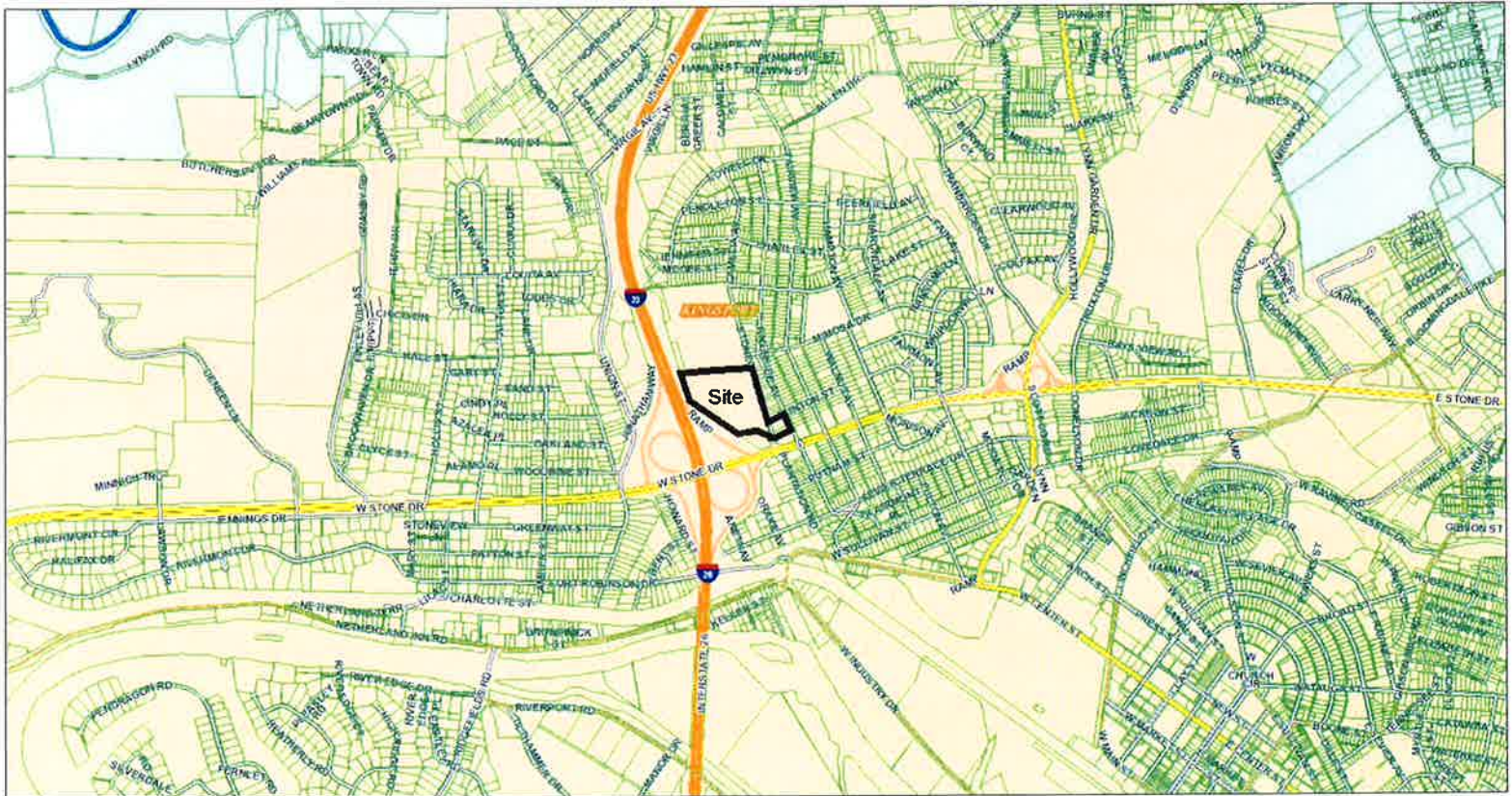
REPRESENTATIVE
PHONE **(423) 967-1690**

INTENT

Intent: To rezone from B-3 (Highway Oriented Business District) to R-3 (Low Density Apartment District) to accommodate 77 single family and 14 townhouse apartments.

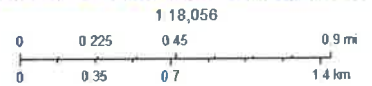
Vicinity Map

ArcGIS Web Map



9/8/2020, 8:33:25 AM

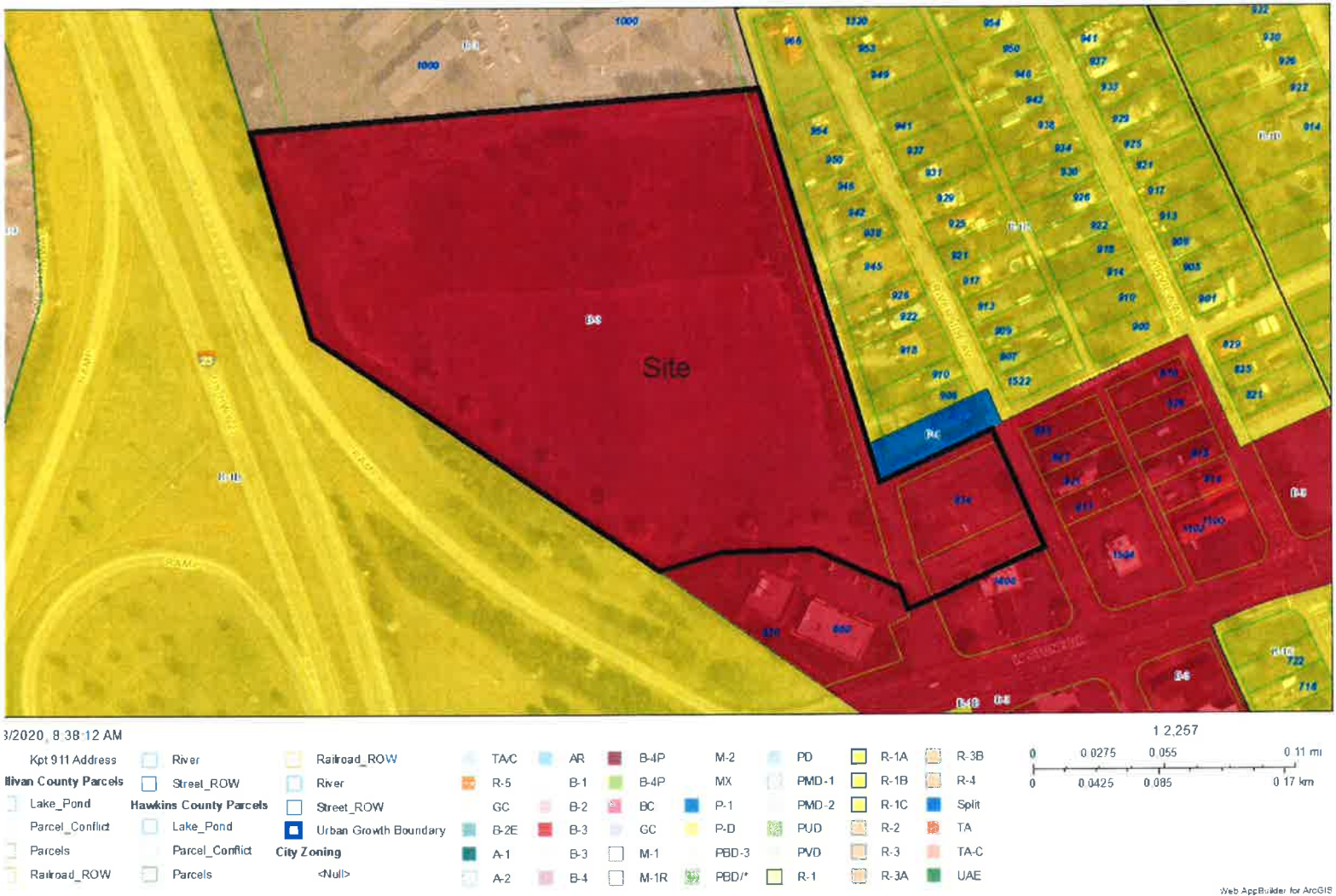
- | | | |
|--|--|---|
| Sullivan County Parcels | <input type="checkbox"/> Street_ROW | <input type="checkbox"/> River |
| <input type="checkbox"/> Lake_Pond | <input type="checkbox"/> Street_ROW | |
| <input type="checkbox"/> Parcel_Conflict | <input type="checkbox"/> Lake_Pond | <input checked="" type="checkbox"/> Urban Growth Boundary |
| <input type="checkbox"/> Parcels | <input type="checkbox"/> Parcel_Conflict | |
| <input type="checkbox"/> Railroad_ROW | <input type="checkbox"/> Parcels | |
| <input type="checkbox"/> River | <input type="checkbox"/> Railroad_ROW | |



Web AppBuilder for ArcGIS

Surrounding Zoning Map

ArcGIS Web Map



Future Land Use Plan 2030

ArcGIS Web Map



3/2020, 8:38:54 AM

Kpt 911 Address	River	Railroad_ROW	Single Family
Wivan County Parcels	Street_ROW	River	Multi-Family
Lake_Pond	Hawkins County Parcels	Street_ROW	Industrial
Parcel_Conflict	Lake_Pond	Urban Growth Boundary	Retail/Commercial
Parcels	Parcel_Conflict	Future Land Use	Public
Railroad_ROW	Parcels	Agri/Vacant	Utilities

Web AppBuilder for ArcGIS

Aerial

ArcGIS Web Map



South of 800 Stonegate Road (Former Walmart)



North of the Former Car Wash



Northern View of 800 Stonegate Road (Former Walmart Area)



Stonegate Road and Eastern Boundary of 800 Stonegate Road (Former Walmart)



Northern Portion of 800 Stonegate Road (Former Walmart)



Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Name	History Zoning Action Variance Action
North, East, Northwest	1	<u>Zone: City R-3</u> Use: apartment development	n/a
Further North and Northwest	2	<u>Zone: City R-3</u> Use: Vacant/ a portion of the parent parcel that is being rezoned	n/a
East	3	<u>Zone: City R-1C</u> Use: single family	n/a
Further East	4	<u>Zone: City B-3</u> Use: restaurant	n/a
Southeast and South	5	<u>Zone: City B-3</u> Use: gas station	n/a
Further South	6	<u>Zone: City B-3</u> Use: strip center	n/a
West	7	<u>Zone: City R-1B</u> Use: I-26 right-of-way	n/a

EXISTING USES LOCATION MAP
ArcGIS Web Map



9/8/2020, 8:52:30 AM
Sullivan County Parcels
Lake_Pond
Parcel_Conflict
Parcels
Railroad_ROW

River
Street_ROW
Lake_Pond
Parcel_Conflict
Parcels

Railroad_ROW
Street_ROW
Urban Growth Boundary

1 2,257
0 0.0275 0.055 0.11 mi
0 0.0425 0.085 0.17 km

Web AppBuilder for ArcGIS

Kingsport Regional Planning Commission

Rezoning Report

File Number 20-101-00008

Zoning Development Plan



DEVELOPMENT STANDARDS : R-3**District minimum requirements:**

- Maximum density is 15 dwelling units per acre/ proposed density= 5.1 du/acre for the single family portion (former Walmart site) and 14.7 du/acre for the townhouse apartment site
- Parking required: 2 spaces per unit for single family with 2 spaces per single family unit provided & 1.5 spaces per multifamily unit required with 2 spaces per multifamily unit provided

The ZDP indicates compliance with the development standards in an R-3 District.

Standards of Review

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 10, below, as well as any other factors it may find relevant.

1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby Property?** The proposal will permit a use that is suitable with adjacent property as a multi-family use and zone.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The adjacent and nearby property will not be adversely affected by the proposal.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property has a reasonable economic use as currently zoned. There is also a reasonable economic use for the proposed zone with similar density calculations to the adjacent apartments.
4. **Whether the proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools?** The proposal will not cause a burdensome use of existing streets, transportation facilities, or schools.
5. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The existing conditions support approval of the proposed rezoning.

6. **Whether the zoning proposal will permit a use which can be considered environmentally adverse to the natural resources, environment and citizens of the City of Kingsport?** There are no adverse uses proposed.
7. **Whether the change will create an isolated district unrelated to similar districts:** The proposed rezoning will be an extension of the existing R-3 zone to the north.
8. **Whether the change will constitute a grant of special privilege to an individual as contrasted to the general welfare?** The change will not allow a special privilege to an individual as contrasted to the general welfare.

CONCLUSION

Staff recommends sending a positive recommendation to the BMA to rezone from B-3 to R-3. The proposal is a suitable proposal for the site.



AGENDA ACTION FORM

**Appropriate Funds from the Department of Justice, Office of Justice Programs FY20
Edward Byrne Memorial Justice Assistance Grant Program**

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

Action Form No.: AF-262-2020
Work Session: October 5, 2020
First Reading: October 6, 2020

Final Adoption: October 20, 2020
Staff Work By: Capt. Randall Gore
Presentation By: Chief David Quillin

Recommendation:

Approve the Budget Ordinance.

Executive Summary:

On July 21, 2020 via AF-179-2020, the Board of Mayor and Aldermen approved the Mayor executing any and all documents necessary to apply for and receive a grant from the Department of Justice FY '20 Edward Byrne Memorial Justice Assistance Grant (JAG) Program. We have been notified that we were approved for \$22,847.00 in grant funds for the upcoming fiscal year. The grant will be utilized to purchase equipment and/or technology improvements, specifically high definition in-car video camera packages.

There are no matching fund requirements.

Attachments:

1. Ordinance

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE JUSTICE ASSISTANT GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF JUSTICE FOR THE YEAR ENDING JUNE 30, 2021; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Justice Assistant Grant Fund budget be amended by appropriating grant funds received from the Department of Justice Edward Byrne Memorial Justice Assistance Program (JAG) in the amount of \$22,847 to the Justice Assist/Technology project (JG2100) to purchase equipment and/or technology improvements. No matching funds are required.

Fund 134: Justice Assist Grant Fund
Justice Assist/Technology (JG2100)

<u>Revenues:</u>	\$	\$	\$
134-0000-331.45-37 BUREAU OF JUSTICE / JAG	0	22,847	22,847
<i>Totals:</i>	0	22,847	22,847
<u>Expenditures:</u>			
134-3030-443.90-06 PURCHASES \$5,000 & OVER	0	22,847	22,847
<i>Totals:</i>	0	22,847	22,847

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law directs, 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

Accept a Private Monetary Donation for the Police Department and Appropriate Funds

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

Action Form No.: AF-270-2020
 Work Session: October 5, 2020
 First Reading: October 6, 2020

Final Adoption: October 20, 2020
 Staff Work By: Comm. J. Bellamy
 Presentation By: Chief D. Quillin

Recommendation:

Approve the Resolution and Ordinance.

Executive Summary:

Kingsport resident, Dr. David Garrahan, is an avid supporter of the Kingsport Police Department and its employees. Dr. Garrahan has, on occasion, demonstrated his support through financial contributions. On September 23, 2020 Dr. Garrahan submitted a check in the amount of \$10,000 to be used in a manner that benefits the police department.

There is a current need to purchase a K-9 to replace K-9 Nim, who was recently retired. It is the police department's desire to utilize Dr. Garrahan's generous gift to make this acquisition. It is with this action that the police department respectfully requests the board accept Dr. Garrahan's contribution and place the funds into project line NC1808 so they may be utilized for furtherance of the Kingsport Police Department K-9 program.

Attachments:

1. Resolution
2. Ordinance

Funding source appropriate and funds are available: *cm*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *[Signature]*

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

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

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A DONATION OF FUNDS FROM
DR. DAVID GARRAHAN FOR THE KINGSPORT POLICE
DEPARTMENT

WHEREAS, on September 23, 2020, Dr. David Garrahan donated funds in the amount of \$10,000.00 to the Kingsport Police Department to be used in a manner that benefits the police department; and

WHEREAS, the Kingsport Police Department would like to use those funds to purchase a new K-9, as one has recently retired; and

Now therefore,

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

SECTION I. That the donation to the city from Dr. David Garrahan of funds in the amount of \$10,000.00 to be used by the Kingsport Police Department is accepted.

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

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ORDINANCE NO.

AN ORDINANCE TO AMEND THE GENERAL PROJECTS-SPECIAL REVENUE FUND BUDGET FOR THE YEAR ENDING JUNE 30, 2021; 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-Special Revenue Fund budget be amended by appropriating a donation received from an individual donor to the K-9 Donation project (NC1808) in the amount of \$10,000.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>General Projects-Special Revenue Fund: 111</u>			
<u>K-9 Donation (NC1808)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-364.10-00 Individuals	6,500	10,000	16,500
<i>Totals:</i>	6,500	10,000	16,500
<u>Expenditures:</u>	\$	\$	\$
111-0000-601.30-12 Food	2,000	0	2,000
111-0000-601.30-20 Operating Supplies & Tool	4,500	10,000	14,500
<i>Totals:</i>	6,500	10,000	16,500

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law directs, 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

Amend the Current First Tennessee Agency on Aging Grant Contract Due to Corona Virus Grant and Appropriate Funds

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

Action Form No.: AF-259-2020
 Work Session: October 5, 2020
 First Reading: October 6, 2020

Final Adoption: October 20, 2020
 Staff Work By: Shirley Buchanan
 Presentation By: Shirley Buchanan

Recommendation:

Approve the Resolution and Ordinance.

Executive Summary:

The FTAAAD has received additional federal funds to supply each Senior Center with an additional \$5,000 to be used to upgrade technology. This award is to help the Senior Centers maintain contact with its members by way of virtual platforms and social media.

Attachments:

1. Resolution
2. Ordinance

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

	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 APPROVE AMENDMENT 1 TO THE FIRST TENNESSEE DEVELOPMENT DISTRICT'S AREA AGENCY ON AGING AND DISABILITY GRANT FOR FISCAL YEAR 2020-2021

WHEREAS, in June, 2020, the city approved the grant from the First Tennessee Development District's Area Agency on Aging through the Tennessee Commission on Aging and Disability for the Kingsport Senior Center for Fiscal Year 2020-2021 in the amount of \$32,000.00 and

WHEREAS, due to the Corona Virus, the First Tennessee Development District's Area Agency on Aging received additional federal funds to supply each Senior Center with an additional \$5,000.00 to be used to upgrade technology; and

WHEREAS, this award will be used to help the Senior Centers maintain contact with its members by way of virtual platforms and social media.

Now therefore,

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

SECTION I. That Amendment 1 to the Contract 106-21 from the First Tennessee Development District from the Tennessee Commission on Aging and Disability amending the amount from \$32,000.00 to \$37,000.00 due to the Corona Virus, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and hereby 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, Amendment 1 to the Contract 106-21 from the First Tennessee Development District from the Tennessee Commission on Aging and Disability amending the amount from \$32,000.00 to \$37,000.00 due to the Corona Virus, said amendment being as follows:

**AMENDMENT1
OF CONTRACT 106-21**

This Amendment is made and entered by and between **First Tennessee Development District Area Agency on Aging and Disability**, hereinafter referred to as the "Grantor" and CITY OF KINGSPOUT TN FOR KINGSPOUT SENIOR CENTER, hereinafter referred to as the "Grantee." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

Contract section C.1 is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the Grantor under this Grant Contract exceed Thirty-Seven Thousand Dollars (\$37,000.00) ("Maximum Liability"). The Grant Budget attached and incorporated as Attachments A and C is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

Contract Attachments A and C are deleted in their entirety and replaced with the new attachment A and C attached hereto.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective September 15, 2020. All other terms and conditions of this Contract not expressly amended herein shall remain in full force
[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 amendment/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 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 V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ORDINANCE NO. _____

AN ORDINANCE TO AMEND GENERAL FUND BUDGET FOR
THE YEAR ENDING JUNE 30, 2021; AND, TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund budget be amended by appropriating additional funds granted from the First Tennessee Agency on Aging grant received from the First Tennessee Development District in the amount of \$5,000.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>General Fund: 110</u>			
<u>Revenues:</u>	\$	\$	\$
110-0000-332.71-00 FTDD Area Agency On Aging	32,000	5,000	37,000
Totals:	32,000	5,000	37,000
 <u>Expenditures:</u>	 \$	 \$	 \$
110-4520-472.20-20 Professional/Consultant	32,000	5,000	37,000
Totals:	32,000	5,000	37,000

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law directs, 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

Budget Adjustment Ordinance for Various Funds in FY21

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

Action Form No.: AF-267-2020
 Work Session: October 5, 2020
 First Reading: October 6, 2020

Final Adoption: October 20, 2020
 Staff Work By: Morris
 Presentation By: McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

This ordinance amends the General Projects-Special Revenue Fund by appropriating sales tax received from the State of Tennessee for the Border Region District in the amount of \$259,591 to the Border Regions District Sales Tax project (NC2013).

This ordinance also amends the General Projects-Special Revenue Fund by appropriating a \$200 donation for the Lynn Garden Mural project to the Creative Partnership Support project (NC2001).

This ordinance amends the Fleet Fund by appropriating fund balance to cover encumbered vehicle purchases rolled over from FY 2020 in the amount of \$500,000.

This ordinance also appropriates proceeds from General Obligation Schools Capital Outlay Note Series 2020 to the KCS/Press Bldg Space Purchase project (GP2101) in the amount of \$2,000,000

Attachments:

1. Ordinance

Funding source appropriate and funds are available: *CM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *SM*

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

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS PROJECT FUND
BUDGETS 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-Special Revenue Fund budget be amended by appropriating funds received from the State of Tennessee to the Border Regions District Sales Tax project (NC2013) in the amount of \$259,591 and by appropriating a donation to the Creative Partnership Support project (NC2001) in the amount of \$200.

SECTION II. That the Fleet Fund be amended by appropriating \$500,000 from fund balance (511-0000-392.01-00) to increase the Replacement Vehicles line (511-5008-501.90-10) to cover vehicles budgeted but not purchased in FY 2020.

SECTION III. That the General Project Fund be amended by appropriating proceeds received from General Obligation School Capital Outlay Notes Series 2020 to the KCS/Press Bldg Space Pur project (GP2101) in the amount of \$2,000,000.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>General Projects-Special Revenue Fund: 111</u>			
<u>Border Regions District Sales Tax (NC2013)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-332.10-15 Border Regions Allocation	193,374	259,591	452,965
Totals:	193,374	259,591	452,965
<u>Expenditures:</u>	\$	\$	\$
111-0000-681.75-10 Meade Tractor	193,374	259,591	452,965
Totals:	193,374	259,591	452,965
<u>Creative Partnership Support (NC2001)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-332.32-00 TN Arts Commission	14,000	0	14,000
111-0000-364.10-00 Individuals	0	200	200
111-0000-364.30-00 From Non-Profit Groups	6,100	0	6,100
111-0000-391.01-00 From General Fund	3,000	0	3,000
Totals:	23,100	200	23,300
<u>Expenditures:</u>	\$	\$	\$
111-0000-601.20-20 Professional/Consultant	18,000	200	18,200
111-0000-601.90-06 Purchases \$5,000 & Over	5,100	0	5,100
Totals:	23,100	200	23,300

Account Number/Description:**Fleet Maintenance Fund: 511****Revenues:**

	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
511-0000-392.01-00 Fund Balance Appropriations	\$ 5,303,487	\$ 500,000	\$ 5,803,487
<i>Totals:</i>	5,303,487	500,000	5,803,487

Expenditures:

511-5008-501.90-01 Replacement Vehicles	\$ 4,188,907	\$ 500,000	\$ 4,688,907
<i>Totals:</i>	4,188,907	500,000	4,688,907

Account Number/Description:**KCS/Press Bldg Space Pur (GP2101)****General Project Fund: 311****Revenues:**

	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
311-0000-368.09-46 Capital Outlay Note 2020	\$ 0	\$ 2,000,000	\$ 2,000,000
<i>Totals:</i>	0	2,000,000	2,000,000

Expenditures:

311-0000-601.90-02 Buildings	\$ 0	\$ 2,000,000	\$ 2,000,000
<i>Totals:</i>	0	2,000,000	2,000,000

SECTION IV. That this Ordinance shall take effect from and after its date of passage, as the law directs, 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

Amend Zoning Text to Make Various Changes to the PD, Planned Development Zoning District

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

Action Form No.: AF-246-2020
 Work Session: September 14, 2020
 First Reading: September 15, 2020

Final Adoption: **October 6, 2020**
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

Approve ordinance amending the zoning text to make various changes to the PD, Planned Development zoning district.

Executive Summary:

Several changes to the PD, Planned Development zone are proposed as a result of staff's recent housing initiatives meetings. The desired outcome of the proposed changes is to introduce added flexibility, density, and efficiency to the PD zoning district requirements. The proposed changes consist of front yard setback elimination, a 5% decrease for minimum required open space, and adjustments designed to eliminate redundant submittal requirements. These change proposals were last presented to the Board of Mayor and Aldermen during their August 31, 2020 work session as part of an overall housing initiatives briefing. During their August 2020 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a positive recommendation to the Board to approve the changes. The notice of public hearing was published on August 28, 2020.

Attachments:

1. Zoning Text Amendment Ordinance
2. Notice of Public Hearing
3. Staff Report

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

ORDINANCE NO. _____

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 114, ARTICLE III, DIVISION 6 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO VARIOUS CHANGES IN THE PD, PLANNED DEVELOPMENT ZONE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That Sec 114-304(1) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting it and substituting in its place the following:

(1) For the entire development, a minimum yard of at least 25 feet in depth shall be measured from the boundary of the entire development.

SECTION II. That Sec 114-302(4) Code of Ordinances, City of Kingsport, Tennessee is amended by being deleted.

SECTION III. That Sec 114-302(6) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting it and substituting in its place the following:

(6) A plan showing acreage of open spaces, locations and sizes of utilities and easements, density, and housing characteristics

SECTION IV. That Sec 114-304(3,4) Code of Ordinances, City of Kingsport, Tennessee is amended by being deleted.

SECTION V. That Sec 114-304(12) Code of Ordinances, City of Kingsport, Tennessee is amended by being deleted.

SECTION VI. That Sec 114-304(5,6) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting it and substituting in its place the following:

(5) Not less than 15 percent of the site shall be conveyed as open space.

(6) Density. The number of dwelling units on a site shall be calculated in the following manner:

4 units/acre with 15% open space

5 units/acre with 20% open space

6 units/acre with 25% open space

7 units/acre with 30% open space

8 units/acre with 35% open space

9 units/acre with 40% open space

10 units/acre with 45% open space

SECTION VII. 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 _____

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday, September 15, 2020 to consider amending the Code of Ordinances to amend the Planned Development (PD) zone to permit changes supportive of increased housing density and design flexibility. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

All interested persons are invited to attend this meeting and public hearing. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-9485 or by emailing ADAContact@KingsportTN.gov at least 72 hours in advance. Copies of any documents used are available in accessible formats upon request.

CITY OF KINGSPORT
Angie Marshall, City Clerk
PIT: 8/28/2020

Planned Development Zone Zoning Text Amendment

Property Information	City-wide PD zones		
Address			
Tax Map, Group, Parcel			
Civil District			
Overlay District			
Land Use Designation			
Acres			
Existing Use		Existing Zoning	
Proposed Use		Proposed Zoning	
Owner /Applicant Information			
Name: Kingsport Regional Planning Commission Address: City: State: Zip Code: Email: Phone Number:		Intent: To amend Chapter 114, Article III, Division 6 of Kingsport's Zoning Code to make various adjustments to the Planned Development (PD) zone.	
Planning Department Recommendation			
(Approve, Deny, or Defer) The Kingsport Planning Division recommends APPROVAL			
Planner:	Ken Weems	Date:	8/3/20
Planning Commission Action		Meeting Date:	8/20/20
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

INTENT

To amend Chapter 114, Article III, Division 6 of Kingsport's Zoning Code to make various adjustments to the Planned Development (PD) zone.

Introduction:

Over the last several months, key staff and one alderman have met with local builders, designers, bankers, and developers to best understand how to facilitate single family home construction in the city. Zoning regulations were a focal point during all of the meetings. After compiling comments derived from the meetings, staff is proposing several changes to the popular Planned Development (PD) zone.

Presentation:

1.) The 25 foot minimum yard requirement from public streets is proposed to be eliminated while the 25 foot minimum yard from the boundary of the each PD development is to be kept. Developers cited the increased flexibility this would allow them to during the development process. It is important to note that two subdivisions have been built to date that adhere to the relatively new 25' minimum yard from all public streets. There is another subdivision that has been designed to the 25' minimum yard from all public streets, but is yet to be constructed. All of the meeting participants were supportive of this measure:

Current: (1) For the entire development, a minimum yard of at least 25 feet in depth shall be provided as measured from all public streets and from the side and rear lot lines of the entire development. [HJ1]

Proposed: (1) For the entire development, a minimum yard of at least 25 feet in depth shall be measured from the boundary of the entire development.

2.) To alleviate redundancy, staff proposes to eliminate the zoning requirement that certain construction documents be submitted with preliminary PD plans. These plans are already required for our Engineering review and are most efficiently submitted along with a full set of construction plans as already required:

Current with proposed eliminated wording striked: (4) ~~Landscape drainage calculations and erosion control plans, storm water plans and drainage calculations, grading with topography shown at five foot intervals for existing and proposed contours. These calculations and plans must be stamped by a licensed engineer stating that all calculations and plan meets the city's requirements for public infrastructure.~~

(6) A plan showing acreage of open spaces, locations and sizes of utilities and easements, density, and housing characteristics. ~~A utility plan must be stamped by a licensed engineer stating that the infrastructure meets or exceeds the standards required by the city for public infrastructure.~~ [HJ2]

Proposed: (4) A plan showing acreage of open spaces, locations and sizes of utilities and easements, density, and housing characteristics.

3.) Staff has determined that some of the language in the PD zoning text is confusing and can sometimes mislead design professionals as they create lot layouts. This determination comes after working with developers after the most recent PD zone text change which occurred in 2014. Specifically, the minimum lot width/depth language and minimum 12 foot lot access criteria are proposed to be eliminated:

Current: (3) *No minimum width or depth of a lot shall apply.*

(4) *Each lot shall have a minimum access of 12 feet from either a private or public street.*

Proposed: *Elimination of both requirements (3 and 4) listed above.*

4. The existing PD zone requirements contain language referencing private streets that staff has deemed unnecessary. Any new street in the city, whether public or private, must adhere to the same standard.

Current: a. *No present or future impediment exists to through traffic movement in the general area.*

b. *The adjoining properties in the general area have or are capable of providing an efficient and safe street system that will in no way depend upon the private street network.*

c. *For private streets, whether they are to be submitted for public dedication at a later date or remain private, additional space will be devoted for the development of street rights-of-way. Construction plans of private streets must contain a licensed engineer's stamp stating that the design and construction of the private streets meets or exceeds the city's standards for street construction. [HJ3]*

Proposed: *Elimination of all requirements (a., b., and c.) listed above.*

5. The minimum open space in a PD zone is proposed to be reduced to 15% from 20%. The reduction to 15% is consistent with Johnson City's comparable planned development zoning. A sequential reduction in the open space density assignment is proposed as well:

Current: (5) *Not less than 20 percent of the site shall be conveyed as open space.*

(6) *Density. The number of dwelling units on a site shall be calculated in the following manner:*

4 units/acre with 20 percent open space

5 units/acre with 25 percent open space

6 units/acre with 30 percent open space

7 units/acre with 35 percent open space
8 units/acre with 40 percent open space
9 units/acre with 45 percent open space
10 units/acre with 50 percent open space

Proposed: (5) Not less than 15 percent of the site shall be conveyed as open space.

(6) Density. The number of dwelling units on a site shall be calculated in the following manner:

4 units/acre with 15 percent open space
5 units/acre with 20 percent open space
6 units/acre with 25 percent open space
7 units/acre with 30 percent open space
8 units/acre with 35 percent open space
9 units/acre with 40 percent open space
10 units/acre with 45 percent open space

The existing PD text with the portions proposed to be changed highlighted in yellow follows:

DIVISION 6. - PLANNED DEVELOPMENT DISTRICT (PD)

Sec. 114-298. - Intent.

The intent of this division is to allow flexibility and provide performance criteria for planned developments. This division permits design innovation, encourages a maximum choice of types of environment and living areas available to the public, provides open space and recreational areas, and optional methods of land development which encourage imaginative solutions to environmental design problems. The goal is a development in which buildings, land use, transportation facilities, utility systems and open spaces are integrated through an overall design. The total parcel, rather than a single lot, is the unit into which the public control is directed. Public regulation through a system of overall site plan review permits flexibility in building siting, a mixture of housing types and uses and the grouping of units to create more usable open spaces for the preservation of significant natural features. The planned development allows for placement of buildings on land without adherence to the conventional lot-by-lot approach common to traditional subdivisions. Such concerns as density are determined on a project basis utilizing the physical characteristics of the location allowing for the clustering of buildings which not only may create more useful open spaces but also reduce public facility cost.

(Code 1981, app. A, art. VIII, § 1; Code 1998, § 114-351; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-299. - Establishment of districts.

Planned development districts may be established, as provided in section 114-358, prior to submission of development plans by a property owner.

(Code 1981, app. A, art. VIII, § 2; Code 1998, § 114-352; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-300. - Qualifying requirements for development.

The following qualifying requirements for a planned development shall be met:

- (1) The planned development shall be consistent with the adopted land use plan.
- (2) The planned development shall include at a minimum two acres of contiguous land.
- (3) The planned development's demand on public facilities and services shall not exceed the capabilities of such facilities and services available.

(Code 1981, app. A, art. VIII, § 3; Code 1998, § 114-353; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-301. - Application for development.

A zoning application for a planned development shall include the following items:

- (1) A statement that the applicant holds title to the entire parcel of land proposed for development or has a legally recognized option to the entire parcel of land proposed for development.
- (2) A pre-application conference held by the planning department to provide for a mutual understanding of the planned development regulations and to discuss the proposed plans of the applicant.
- (3) A written statement outlining the main features of the proposed enterprise, including goals and objectives.
- (4) A survey of the total site requested for approval.

(Code 1981, app. A, art. VIII, § 4; Code 1998, § 114-354; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-302. - Preliminary development plan.

A preliminary development plan for a planned development shall contain the following:

- (1) Location, size and shape of the subject property with distances and bearings of the boundary of the site.
- (2) Pedestrian and vehicular circulation patterns including common parking areas, access to major streets and street layouts, proposed right-of-way, types of streets, and street cross sections.
- (3) Location of structures/units and open spaces for the district and calculations for the permitted number of dwelling units and calculation for the total amount of open space derived from section 114-304.
- (4) ~~Landscape drainage calculations and erosion control plans, storm water plans and drainage calculations, grading with topography shown at five foot intervals for existing and proposed contours. These calculations and plans must be stamped by a licensed engineer stating that all calculations and plan meets the city's requirements for public infrastructure.~~
- (5) A development schedule indicating the sequential order for stages of development within the district.

- (6) A plan showing acreage of open spaces, locations and sizes of utilities and easements, density, and housing characteristics. A utility plan must be stamped by a licensed engineer stating that the infrastructure meets or exceeds the standards required by the city for public infrastructure.
- (7) A drawing of the entire planned development area, including materials and techniques utilized such as plantings, screens, fences and walls.
- (8) Legend stating the owner's name, address, and contact information, total acreage of the site and total acreage of the proposed open spaces, density and housing characteristics with a note indicating how and who is expected to maintain the open space.

(Code 1981, app. A, art. VIII, § 5; Code 1998, § 114-355; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-303. - Final development plan.

A final development plan for a planned development shall:

- (1) Be drawn to a scale of not less than one inch equals 50 feet using black ink containing information as described for the preliminary development plan and including all revisions required by the planning commission. Property lines shall carry accurate bearings, distances and other pertinent physical features. Easements shall carry accurate dimensions.
- (2) Be prepared and signed (with seal) by a qualified licensed design professional such as an architect, engineer or land surveyor.
- (3) Meet all the applicable federal, state and city regulations.
- (4) Contain quantitative data for the total amount of open space and a statement indicating perpetual maintenance responsibility.
- (5) Contain the treatment of the periphery of the planned development, including materials and techniques utilized such as screens, fences and walls.

(Code 1981, app. A, art. VIII, § 6; Code 1998, § 114-356; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-304. - Development standards.

These standards apply to all planned developments using the cluster development technique. No planned development shall be approved that does not follow these minimum standards.

- (1) For the entire development, a minimum yard of at least 25 feet in depth shall be measured from the boundary of the entire development. ~~provided as measured from all public streets and from the side and rear lot lines of the entire development.~~
- (2) More than one principal building or structure may be placed on one lot.
- (3) ~~No minimum width or depth of a lot shall apply.~~
- (4) ~~Each lot shall have a minimum access of 12 feet from either a private or public street.~~
- (5) Not less than 15 20 percent of the site shall be conveyed as open space.
- (6) Density. The number of dwelling units on a site shall be calculated in the following manner:
 - 4 units/acre with 15 20 percent open space
 - 5 units/acre with 20 25 percent open space
 - 6 units/acre with 25 30 percent open space

7 units/acre with 30 35 percent open space

8 units/acre with 35 40 percent open space

9 units/acre with 40 45 percent open space

10 units/acre with 45 50 percent open space

- (7) Frontage. Every dwelling unit shall adjoin a public or private street or common open space providing access to a public street.
- (8) Parking. Adequate parking spaces shall be provided at a minimum ratio of 2.0 spaces per unit. All required parking shall be off the street and maybe provided via garages or appropriately sized driveways. Parking located within the periphery yard of the development district shall be provided with screening from neighboring districts.
- (9) Open spaces. Open spaces must be designated no less than 25 feet from any and all principal and accessory structures. This does not include amenity structures specific to the development as designated on the plan.
- (10) Commercial uses within residential planned development. In a planned residential district of 20 acres or more, commercial uses may be permitted. Such commercial uses shall be governed by the following:
 - a. Commercial facilities may be permitted in developments of 200 dwelling units or more.
 - b. A ratio of one acre of commercial use, including parking, drive and landscaping, is allowed for each 200 residential units.
 - c. All access to commercial facilities shall be from internal streets or drives.
 - d. Construction of such facilities may begin after 25 percent of the residential units have been constructed.
 - e. Commercial areas shall have architectural designs compatible with surrounding residential development as determined by the planning commission.
- (11) Screening. Screening (fencing, walls, or vegetation) shall be provided as required by the planning commission.
- (12) ~~Street development. The planning commission may approve private streets as follows:~~
 - ~~a. No present or future impediment exists to through traffic movement in the general area.~~
 - ~~b. The adjoining properties in the general area have or are capable of providing an efficient and safe street system that will in no way depend upon the private street network.~~
 - ~~c. For private streets, whether they are to be submitted for public dedication at a later date or remain private, additional space will be devoted for the development of street rights-of-way. Construction plans of private streets must contain a licensed engineer's stamp stating that the design and construction of the private streets meets or exceeds the city's standards for street construction.~~
- (13) Responsibilities for private streets, utility access, open space. The following certificate shall be signed, dated and placed on the final development plan:
 - a. Private street responsibilities of owners. The owners of this property agree to assume full liability and responsibility for maintenance, reconstruction, drainage, and other needs relative to the private streets so designated on this plan, and hereby relieve the local government from any such responsibility. Should the private streets be dedicated for public use at a later date, the owners will bear full expense of reconstruction or other action necessary to make the streets and drainage facilities fully conform to the current public street standards. The owners also agree that the streets shall be dedicated to public use without compensation. (Signed and dated by owners.)

- b. Government and utility access. The owners of this property hereby agree to grant full rights of access to this property over the designated street utilities, and other easements for governmental and utility agencies to perform their normal responsibilities. (Signed and dated by owners.)
 - c. Maintenance of common open space. The owners of this property agree to assume full liability and responsibility for maintenance, reconstruction, drainage, and other needs relative to the common open space so designated on this plan, and hereby relieve the local government from any such responsibility. Should the common open space be dedicated for public use at a later date, the owners will bear full expense of reconstruction or other action necessary to make the common open space and drainage facilities fully conform to the current standards adopted by the city's. The owners also agree that the common open space shall be dedicated to public use without compensation. (Signed and dated by owners.)
- (14) Amenities. Any amenities shown on the master plan for a planned development shall be built within the first phase of the development. The planning commission will not accept any bonding instruments as a guarantee for said amenities. However the planning commission may grant a variance to the time line of this requirement if constructing said amenity in the first phase creates a substantial hardship, other than financial, to the developer due to the location of an amenity in a master plan.

(Code 1981, app. A, art. VIII, § 7; Code 1998, § 114-357; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-305. - Vested rights.

Vesting rights shall be in accordance with T.C.A. § 13-3-413 or § 13-4-310, whichever is applicable, and as amended from time to time.

(Code 1981, app. A, art. VIII, § 8; Code 1998, § 114-358; Ord. No. 6387 § III, 4-1-2014; Ord. No. 6456 § III, 12-16-2014)

Editor's note— Ord. No. 6456, § II, adopted Dec. 16, 2014, changed the title of § 114-305 from "Procedure for development plans" to read as herein set out.

Sec. 114-306. - Development control following the approval of final development plan.

- (a) No permit shall be issued until the director of planning or designee has reviewed/approved the permit application and received a stamped house location plan from a qualified design professional stating that the location plan coincides with the approved development plan.
- (b) No certificate of occupancy (CO) will be issued and no sale of property will take place prior to final development plan approval.
- (c) The building official shall periodically inspect the site and review all building permits issued to ensure that the development schedule and approved plan are followed.
- (d) The provision and construction of the open space shown on the final development plan must proceed at the same rate as the construction of the dwelling units. If the building official finds that the development schedule has not been followed, no additional permits shall be issued until the owner or developer complies with the development schedule or plan or unless a performance bond or other similar instrument has been accepted by the planning commission to guarantee that such open space will be provided at a specific date.

- (e) The planning commission may require a bond, corporate surety, irrevocable letter of credit or other acceptable financial guarantee in a form and amount sufficient to complete the development of open space.

(Code 1981, app. A, art. VIII, § 9; Code 1998, § 114-359; Ord. No. 6387 § III, 4-1-2014)

Sec. 114-307. - Amendments to development plans.

- (a) Under this division, amendments may be made to a development plan only by official action of the planning commission, except those amendments which fully meet the requirements set forth in this section may be approved when signed by the director of planning without further action by the commission. If any question arises as to compliance with this section, the director shall refer the plan to the commission for action.
- (b) Action by the director of planning is intended to expedite approval in those situations where amendments are of minor significance and generally related to the shifting of previously approved spaces. Such amendments shall not:
 - (1) Decrease the overall land area in yards, parking or other open spaces;
 - (2) Increase building ground area coverage, floor area or height;
 - (3) Increase the number or change the location of street access points; and
 - (4) Increase the density of the district.
- (c) Such amended plans shall also have written on them the exact change made and the director's signature, signifying his approval under this section for the amendments as noted. Any plans approved by the director shall be fully described to the commission at its next meeting and properly entered into the minutes of the meeting.

(Code 1981, app. A, art. VIII, § 10; Code 1998, § 114-360; Ord. No. 6387 § III, 4-1-2014)

Secs. 114-308—114-315. - Reserved.



AGENDA ACTION FORM

Amend Kingsport City Code Sections 98-497, 98-498, and 98-499 Pertaining to Traffic Enforcement Cameras

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

Action Form No.: AF-250-2020
 Work Session: September 14, 2020
 First Reading: September 15, 2020

Final Adoption: **October 6, 2020**
 Staff Work By: Bart Rowlett
 Presentation By: Chris McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

Kingsport City Code Chapter 98, Article VIII, Division 2 governs the issuance of citations that allege a red light violation captured by a traffic enforcement camera. A recent comparison of Division 2 of Article VIII, Chapter 98 of the Code of Ordinances found that certain provisions in Division 2 may appear to conflict. The amendment eliminates the potential inconsistencies in Division 2 and further clarifies consistency with Tennessee Code Annotated section 55-8-198.

Attachments:

1. Ordinance

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND SECTIONS 98-497, 98-498, AND 98-499 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO TRAFFIC ENFORCEMENT CAMERAS; TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That Section 98-497 of the Code of Ordinances, City of Kingsport, Tennessee is hereby amended to read as follows:

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

Citations, which include documents entitled "notice of violation," may include:

- (1) The name and address of the registered owner of the vehicle;
- (2) The registration plate number of the motor vehicle involved in the violation;
- (3) The violation charged;
- (4) The location of the violation;
- (5) The date and time of the violation;
- (6) A copy of the recorded image;
- (7) The amount of the fine imposed and the date by which the fine should be paid;
- (8) A personal or electronically signed statement by a P.O.S.T. certified or state commissioned law enforcement officer who is a member of the city police department that, based on inspection of recorded images, the motor vehicle was being operated in violation of this division;
- (9) Information advising the person alleged to be liable under this division of the manner and time in which liability alleged in the citation occurred and that the citation may be contested in the city court and that failure to contest in the manner and time provided shall be deemed an admission of liability and that a default judgment may be entered thereon; and
- (10) Other information required by T.C.A. § 55-8-198.

In operation means operating in good working condition.

Owner or vehicle owner means the person identified as the registered owner of the vehicle.

Recorded images means images recorded by a traffic enforcement camera system on a photograph, microphotograph, electronic image, videotape or any other medium or means including digital or digitally stored and a least one image, identifying the registration plate number of the motor vehicle.

System location means the approach to an intersection toward which a photographic, video or electronic camera is directed and is in operation.

Traffic enforcement camera system includes an unmanned traffic enforcement camera and is an electronic system consisting of a photographic, video or electronic camera and a vehicle sensor installed to work in conjunction with an official traffic control sign, signal or device to automatically produce photographs, video or digital images of each vehicle violating a standard traffic control sign, signal or device.

SECTION II. That Section 98-498 of the Code of Ordinances, City of Kingsport, Tennessee is hereby amended to read as follows:

Any violation of this division shall subject the responsible person or entity to a fine of \$50.00, and as may be permitted by T.C.A. § 55-8-198, court costs, for each violation. Except as required by state law the fine, and court costs shall not be suspended, reduced, or altered for a violation of this division. Such fine and court costs shall be imposed even if the responsible person is granted defensive driving school, driver education or improvement course or any diversion by the court. Such fine and court costs shall be in addition to any cost required for the school. The imposition of a fine under the provisions of this division shall not prevent the revocation of any permit or license or the taking of other punitive or immediate remedial action as called for or permitted under the provisions of this Code or other applicable law.

If the person or entity receiving the summons or citation is in violation of this division solely upon evidence obtained from an unmanned traffic enforcement camera that has been installed to enforce or monitor traffic violations, the violation shall be considered a nonmoving traffic violation.

SECTION III. That Section 98-499 of the Code of Ordinances, City of Kingsport, Tennessee is hereby amended to read as follows:

(a) The city police department or an agent of the police department shall administer the traffic enforcement camera systems and shall maintain a list of system locations where traffic control photographic systems are installed.

(b) Only P.O.S.T. certified or state commissioned law enforcement officers employed by the city police department shall determine whether a violation of this division has occurred based upon a review of evidence collected by a traffic enforcement camera system.

(c) A citation or warning alleging that the violation of this division occurred, signed personally or electronically by a P.O.S.T. certified or state commissioned, based on inspection of recorded images produced by a traffic control photographic system, shall be admissible in any proceeding alleging a violation under this section. The citation or warning shall be forwarded by first-class mail to the owner's address as given on the motor vehicle registration. Personal service of process on the owner shall not be required.

(d) If a determination is made that a violation has occurred, a notice of violation or a citation shall be sent by first class mail to the registered owner of the vehicle that was captured by the traffic light signal monitoring system. A notice of violation or a citation shall be sent within twenty (20) business days after the occurrence of the violation, absent exigent circumstances arising from registration irregularities. All notices of violation or citations shall have a Tennessee return address and all responses and payments shall be made to an address in this state. A notice of violation or citation shall allow for payment of the traffic violation or citation within thirty (30) days of the mailing of the notice. No additional fine or other costs shall be assessed for nonpayment of a traffic violation or citation that is based solely on evidence obtained from unmanned traffic enforcement cameras installed to enforce or monitor traffic violations, unless a second notice is sent by first class mail to the registered owner of the motor vehicle and the second notice provides for an additional thirty (30) days for payment of the violation or citation.

(e) The notice of violation or citation shall state the amount of the fine that is being assessed for the alleged violation. The notice of violation or citation shall state separately any additional fees or court costs that may be assessed if the fine is not paid timely or if the violation or citation is contested and the person is convicted or found guilty of the offense.

(f) The person cited may elect not to contest the charge and may, in lieu of appearance in court, submit a fine of fifty dollars (\$50.00) to the address provided on notice of violation or citation. If the person cited does not pay the traffic citation within thirty (30) days of the mailing of the notice of violation or citation, then additional fees or court costs may be assessed. If the person cited does not pay the traffic citation as provided in this section and the person cited appears in court at the time specified, or such later date as may be fixed by the court, and the person is convicted or found guilty of, or enters a plea of nolo contendere to the offense, then additional fees or court costs may be assessed.

(g) Signs to indicate the use of traffic enforcement camera systems shall be posted as set out in T.C.A. § 55-8-198.

SECTION IV. That all ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SECTION V. That this ordinance shall take effect from and after the date of its passage, 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 _____



AGENDA ACTION FORM

Budget Adjustment Ordinance for Various Funds in FY21

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

Action Form No.: AF-248-2020
 Work Session: September 14, 2020
 First Reading: September 15, 2020

Final Adoption: **October 6, 2020**
 Staff Work By: Morris
 Presentation By: McCart

Recommendation:

Approve the Ordinance.

Executive Summary:

This ordinance amends the General Project Fund by accepting a payment in lieu of sidewalk in the amount of \$3,407 and transfers \$25,000 from General Projects project (GP1750) to the AEP Sidewalk Improvements project (GP2015) to increase the budget by \$28,407 to cover sidewalk improvements through the remainder of FY 2021.

This ordinance also transfers \$95 from the General Projects project (NC2100) to close the Creative Placemaking project (NC2010). This project was used by the Cultural Arts Department to pay for the alleyway murals.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: *JM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *SK*

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

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS PROJECT FUND
BUDGETS FOR THE YEAR ENDING JUNE 30, 2021; AND, TO
FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Project Fund budget be amended by accepting a payment in lieu of sidewalk in the amount of \$3,407 to the AEP Sidewalk Improvements project (GP2015) and by transferring \$25,000 from the General Projects project (GP1750) to the AEP Sidewalk Improvements project (GP2015).

SECTION II. That the General Project-Special Revenue Fund budget be amended by transferring \$95 from the General Projects project (NC2100) to the Creative Placemaking project (NC2010). Close NC2010.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>General Project Fund: 311</u>			
<u>General Projects (GP1750)</u>			
<u>Revenues:</u>	\$	\$	\$
311-0000-368.10-55 Series 2017 A GO Bonds	25,000	0	25,000
311-0000-368.10-66 Series 2019 GO Improvment	386,437	0	386,437
311-0000-368.21-01 Premium From Bond Sale	4,158	0	4,158
311-0000-391.01-00 From General Fund	67,354	(25,000)	42,354
<u>Totals:</u>	482,949	(25,000)	457,949

<u>Expenditures:</u>	\$	\$	\$
311-0000-601.20-20 Professional/Consultant	26,400	0	26,400
311-0000-601.20-22 Construction Contracts	19,437	0	19,437
311-0000-601.20-23 Arch/Eng/Landscaping Serv	28,700	0	28,700
311-0000-601.30-20 Operating Supplies & Tool	5,039	0	5,039
311-0000-601.90-03 Improvements	403,373	(25,000)	378,373
<u>Totals:</u>	482,949	(25,000)	457,949

<u>AEP Sidewalk Improvements (GP2015)</u>			
<u>Revenues:</u>	\$	\$	\$
311-0000-364.20-00 From Corporations	35,098	3,407	38,505
311-0000-368.10-66 Series 2019 GO Improvment	30,382	0	30,382
311-0000-368.21-01 Premium From Bond Sale	2,382	0	2,382
311-0000-391.01-00 From General Fund	407,236	25,000	432,236
<u>Totals:</u>	475,098	28,407	503,505

<u>Expenditures:</u>	\$	\$	\$
311-0000-601.90-03 Improvements	124,118	28,407	152,525
311-0000-601.90-06 Purchases \$5,000 & Over	350,980	0	350,980
<u>Totals:</u>	475,098	28,407	503,505

Account Number/Description:**General Projects-Special Revenue Fund: 111****Creative Placemaking (NC2010)****Revenues:**

	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
111-0000-332.32-00 TN Arts Commission	\$ 5,035	\$ 0	\$ 5,035
111-0000-364.30-00 From Non-Profit Groups	1,259	0	1,259
111-0000-391.01-00 From General Fund	0	95	95
Totals:	6,294	95	6,389

Expenditures:

111-0000-601.20-20 Professional/Consultant	\$ 3,319	\$ (341)	\$ 2,978
111-0000-601.30-10 Office Supplies	2,975	436	3,411
Totals:	6,294	95	6,389

General Projects (NC2100)**Revenues:**

111-0000-391.01-00 From General Fund	\$ 174,270	\$ (95)	\$ 174,175
Totals:	174,270	(95)	174,175

Expenditures:

111-0000-601.90-03 Improvements	\$ 174,270	\$ (95)	\$ 174,175
Totals:	174,270	(95)	174,175

SECTION III. That this Ordinance shall take effect from and after its date of passage, as the law directs, 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

Enter into a Materials Agreement with The Edinburgh Group, LLC Related to the Gibson Springs Phase 3 Development and Appropriate the Funds

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

Action Form No.: AF-217-2020
 Work Session: September 14, 2020
 First Reading: September 15, 2020

Final Adoption: **October 6, 2020**
 Staff Work By: David Harris
 Presentation By: R. McReynolds

Recommendation:

Approve the Ordinance.

Executive Summary:

In an effort to promote smart growth and infill development as well as encourage the new housing market within the Kingsport city limits, the City of Kingsport passed the Materials Agreement Policy as set forth in Resolution 2007-084. Developers have the opportunity to enter into an agreement with the City whereas the City furnishes the water and sewer materials for the developers use within the developer's proposed subdivision. The developer would be responsible for posting a cash bond covering the cost of the materials that would be available for refund (minus sales tax) once the project is completed and has been approved by the City Engineer and the Regional Planning Commission.

Pursuant to the policy, The Edinburgh Group, LLC has requested that the proposed Gibson Springs Phase 3 Development, be allowed to participate in the materials agreement program. The total amount of the agreement is proposed at \$16,261.95 for a new eighteen (18) lot development.

To date, including this development, the program has supported 921 new/proposed lots within the City of Kingsport. Of those lots, 558 Building Permits and 507 Certificates of Occupancy have been issued to date.

Attachments:

1. Ordinance
2. Resolution
3. Agreement
4. Cost Table
5. Location Maps
6. Development Chart

Funding source appropriate and funds are available: *CM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *[Signature]*

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO THE GIBSON SPRINGS PHASE 3 MATERIALS AGREEMENT PROJECTS (WA2150 AND SW2150); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Water Fund project and the Sewer Fund project budgets be amended by decreasing the funds transferred from the Water Fund operating budget by \$8,148 and by decreasing the funds transferred from the Sewer Fund operating budget by \$8,115 to the Gibson Springs Phase 3 projects (WA2150 and SW2150) to fund the materials agreement.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Water Project Fund:451			
Gibson Springs Phase 3 (WA2150)			
Revenues			
451-0000-391-4500 From the Water Fund	0	8,148	8,148
Totals:	0	8,148	8,148
Expenditures:			
451-0000-605-9003 Improvements	0	8,148	8,148
Totals:	0	8,148	8,148

Sewer Project Fund:452			
Gibson Springs Phase 3 (SW2150)			
Revenues			
452-0000-391-4200 From the Sewer Fund	0	8,115	8,115
Totals:	0	8,115	8,115
Expenditures:			
452-0000-606-9003 Improvements	0	8,115	8,115
Totals:	0	8,115	8,115

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

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH THE EDINBURGH GROUP, LLC RELATED TO GIBSON SPRINGS PHASE 3 DEVELOPMENT AND AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, The Edinburgh Group, LLC would like to enter into a Materials Agreement for the provision of certain water and sewer materials by the city for Gibson Springs Phase 3, an 18 lot development in the city; and

WHEREAS, the total amount of the agreement as proposed is \$16,261.95;

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, a Materials Agreement with The Edinburgh Group, LLC to provide certain water and sewer materials by the city for Gibson Springs Phase 3, in the amount of \$16,261.95, and the mayor is further authorized and directed to execute all documents necessary and proper to effectuate the purpose of the agreement.

SECTION II. That the board finds that the public interest will be served by ensuring the use of high-quality materials in the construction of certain water and sewer lines in new residential development that will be part of the city owned water and sewer system as publicly owned lines, that such will reduce future maintenance costs for the water and sewer system, and 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 is resolution shall take effect from and after it adoption, the public welfare requiring it.

ADOPTED this the 15th day of September, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MATERIALS AGREEMENT

This AGREEMENT made and entered into on this 15th day of September, 2020, by and between the Edinburgh Group, LLC hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City"

WITNESSETH

1. The Developer has subdivided a tract of land known as Gibson Springs Phase 3, and preliminary approval having been heretofore granted by the Planning Commission.

2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 230 LFT of Waterline and 610 LFT of Sanitary Sewer Line to construct.

3. The estimated cost of the materials listed in paragraph 2 above is approximately \$16,261.95. The Developer will purchase this material from the City for use for construction pursuant to this contract only.

4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.

5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.

6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.

7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.

8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.

9. The Developer will pay the City for the materials listed above and supplied by the City, and upon completion of the laying of water and sewer lines according to specification of and the plans approved by the City, and upon the Developer fully performing all the requirements contained in this agreement the City will reimburse the Developer for the amount paid to the City for the pipe purchased and used in the subdivision, less state and local sales tax.

10. The purpose of this agreement is to reimburse the Developer for 100% of cost of the water and sewer material, less state and local sales tax, with said materials being purchased from the City, and reimbursement for the cost of the materials being made to the Developer subject to the satisfactory completion of all terms of this agreement including complete annexation of the property into the corporate limits of the City.

11. It is understood that the Developer will do any and all ditching, laying of the pipelines, and any and all other work that may be necessary to meet the specifications of the City.

12. Any unused materials acquired by the Developer from the City will be returned to the City and the costs of such material, if returned undamaged, will be credited to the Developer.

IN TESTIMONY WHEREOF, the parties hereto have unto set their hands and seal on this the day and year first above written


Developer

Patrick W. Shull, Mayor

Attest:

Approved as to form:

Sidney H. Cox, City Recorder

J. Michael Billingsley, City Attorney

Materials Agreement

Project: Gibson Springs Phase 3
 Date: September 4, 2020
 Developer: The Edinburgh Group, LLC

File No : 2020-D7

Water Line		Anticipated		Estimated	
Item #	Item Description	Units	U/M	Price	Total
41864	8" x 18' D.I. Pipe	15.00	Joints	\$337.14	\$5,057.10
42120	4' Bury Hydrant	1.00	each	\$1,639.17	\$1,639.17
42325	6" MJ Gate Valve	1.00	each	\$495.17	\$495.17
43031	8x8x6 Anchor Tee	1.00	each	\$105.31	\$105.31
42845	6" x 18" MJ Anchor Coupling	1.00	each	\$92.00	\$92.00
41794	8" Plug w/ 2" Tap	1.00	each	\$51.95	\$51.95
Building Code					
	Receipt To:				
Subtotal	451-0000-208-1250				\$7,440.70
Sales Tax:	451-0000-207-0201			9.50%	\$706.87
Project #	WA2150			Water Total:	\$8,147.57
	Expense To:				
Water Acct. #	451-0000-605-9003				



Materials Agreement

Project: Gibson Springs Phase 3
 Date: September 4, 2020
 Developer: The Edinburgh Group, LLC

File No.: 2020-D7

Sanitary Sewer		Anticipated		Estimated	
Item #	Item Description	Units	U/M	Price	Total
45003	8" x 14' SDR-35 gsktd Sewer Pipe	44.00	Joints	\$46.62	\$2,051.28
45057	8" x 6" Tee Wye gsktd Sewer	18.00	each	\$38.90	\$700.20
45112	Manhole Frame & Covers V-1312-44	4.00	each	\$237.23	\$948.92
45226	Manhole Base (24") w/ Invert	4.00	each	\$550.00	\$2,200.00
45223	Manhole Concrete 16" Riser (48")	1.00	each	\$135.00	\$135.00
45232	Manhole Concrete 24" Riser	1.00	each	\$187.00	\$187.00
45224	Manhole Concrete 32" Riser (48")	1.00	each	\$240.00	\$240.00
45219	Manhole Concrete 16" Concrete Cone	4.00	each	\$170.00	\$680.00
45230	Manhole Concrete 4" Grade Ring	1.00	each	\$41.00	\$41.00
45231	Manhole Concrete 6" Grade Ring	3.00	each	\$57.00	\$171.00
45203	Extra Boot Charge	1.00	each	\$56.00	\$56.00
Building Code					
Receipt To:					
Subtotal	452-0000-208-1250				\$7,410.40
Sales Tax	452-0000-207-0201			9.50%	\$703.99
Project #	SW2150			Sewer Total:	\$8,114.39
Expense To:					
Sewer Acct #	452-0000-606-9003				
				Grand Total:	\$16,261.96

The Edinburgh Group, LLC

Gibson Springs

Phases II and III

Resubmitted March 10, 2020
SITE / CIVIL PACKAGE
 Civil Services Project # 19204

INDEX OF DRAWINGS

SITE / CIVIL	
C-01	SITE/CIVIL PACKAGE COVER SHEET
C-01	OVERALL SITE PLAN
C-02	ROADWAY PLAN & PROFILE - PH. 3
REV 2 C-03	ROADWAY PLAN & PROFILE - PH. 2
C-04	ROADWAY DETAILS
REV 3 C-05	GRADING AND DRAINAGE PLAN
C-06	DRAINAGE PATH - EXISTING
C-07	DRAINAGE PATH - PROPOSED
REV 2 C-08	DRAINAGE / STORMWATER DETAILS
REV 3 C-09	SANITARY SEWER PLAN
C-10	SANITARY SEWER PROFILES
C-11	SANITARY SEWER DETAILS
REV 2 C-11A	LIFT STATION & MOBILITY PATH DETAILS
REV 3 C-12	WATERLINE LAYOUT PLAN
REV 3 C-13	WATERLINE DETAILS
C-14	EROSION CONTROL PLAN - EXISTING
C-15	EROSION CONTROL PLAN - INTERMEDIATE
C-16	EROSION CONTROL PLAN - FINAL
C-17	EROSION CONTROL DETAILS
C-18	EROSION CONTROL DETAILS

VICINITY MAP



LOCATION MAP



CIVIL ENGINEER

**Cain
Rash
West**
Architects

Phn (423) 349-7760
 Fax (423) 349-7413
www.grcinc.com



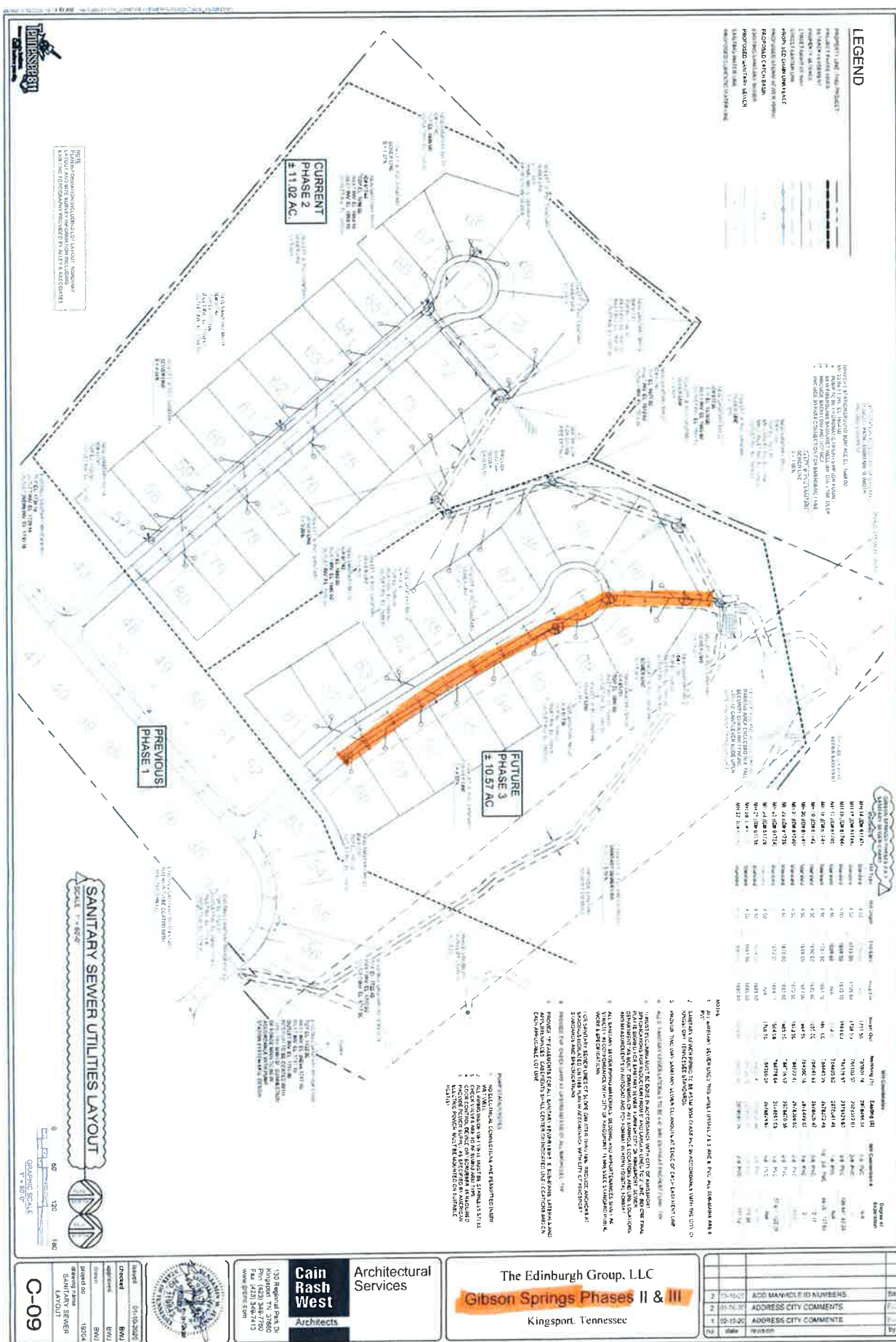
The Edinburgh Group, LLC

Gibson Springs Phases II & III

Kingsport, Tennessee



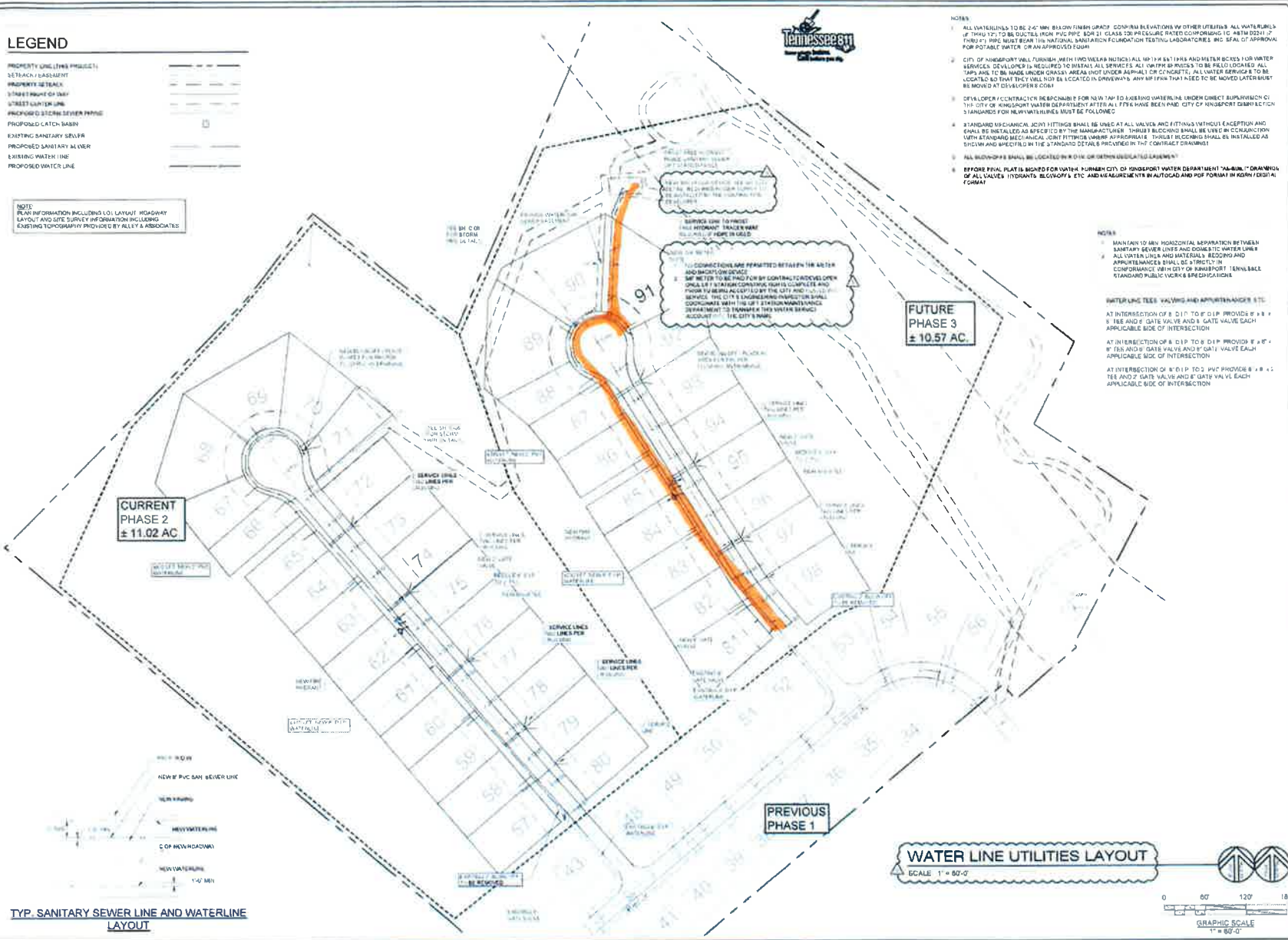
C-00



LEGEND

PROPERTY LINE (THIS PROJECT)
 DETACH (EASMENT)
 PROPERTY SETBACK
 STREET RIGHT OF WAY
 STREET WATER LINE
 PROPOSED 30" SANITARY SEWER
 PROPOSED LATCH-SHOWN
 EXISTING SANITARY SEWER
 PROPOSED SANITARY SEWER
 EXISTING WATER LINE
 PROPOSED WATER LINE

NOTE:
 PLAN INFORMATION INCLUDING LOT LAYOUT, HIGHWAY
 LAYOUT AND SITE SURVEY INFORMATION INCLUDING
 EXISTING TOPOGRAPHY PROVIDED BY ALLEY & ASSOCIATES



- NOTES:
- ALL WATER LINES TO BE 24" MIN. BACON FINISH SPACED CONCRETE ELEVATIONS BY OTHER UTILITIES. ALL WATER LINES TO BE 12" TO 18" DUCTILE IRON PIPE (DIP) 31 CLASS 150 PRESTRESS RATED CONFORMING TO ASTM D2241-07. THE 12" DIP MUST BEAR THE NATIONAL SANITATION FOUNDATION TESTING LABORATORY'S AND SEAL OF APPROVAL FOR POTABLE WATER OR AN APPROVED EQUIV.
 - CITY OF KINGSPORT WILL TURNISH WITH TWO VALVE NOTICES ALL 12" BACON FINISH AND METERS FOR WATER SERVICES. DEVELOPER IS REQUIRED TO INSTALL ALL SERVICES. ALL SERVICE PIPES TO BE PLACED LOCATED ALL TAPS AND TO BE UNDER GRADE. AREAS NOT UNDER ASPHALT OR CONCRETE. ALL WATER SERVICES TO BE LOCATED SO THAT THEY WILL NOT BE LOCATED IN DRIVEWAYS. ANY SP EPPA THAT NEED TO BE MOVED LATER MUST BE MOVED AT DEVELOPER'S COST.
 - DEVELOPER/CONTRACTOR RESPONSIBLE FOR NEW TAP TO EXISTING WATERLINE UNDER DIRECT SUPPLYMENT OF THE CITY OF KINGSPORT WATER DEPARTMENT AFTER ALL TAPS HAVE BEEN PAID. CITY OF KINGSPORT EXEMPTION 3 STANDARDS FOR UTILITIES MUST BE FOLLOWED.
 - STANDARD MECHANICAL JOINT FITTINGS SHALL BE USED AT ALL VALVES AND FITTINGS (WITHOUT EXCEPTION) AND SHALL BE INSTALLED AS SPECIFIED BY THE MANUFACTURER. THROAT BLOCING SHALL BE USED IN CONNECTION WITH STANDARD MECHANICAL JOINT FITTINGS UNLESS APPROPRIATE. THROAT BLOCING SHALL BE INSTALLED AS SHOWN AND SPECIFIED IN THE STANDARD DETAILS PROVIDED IN THE CONTRACT DRAWINGS.
 - ALL BUILDINGS SHALL BE LOCATED IN 10' OR GREATER SEPARATED EASEMENT.
 - BEFORE FINAL PLAT IS SIGNED FOR WATER, TURNISH CITY OF KINGSPORT WATER DEPARTMENT "AS-BUILT" DRAWING OF ALL VALVES, HYDRANTS, BLOCING, ETC. AND MEASUREMENTS IN AUTOCAD AND PDF FORMAT IN KORN/DOOT AL FORMAT.

- NOTES:
- MAINTAIN 10' MIN. HORIZONTAL SEPARATION BETWEEN SANITARY SEWER LINE AND DOMESTIC WATER LINE.
 - ALL WATER LINES AND MATERIALS, RECORDING AND APPURTENANCES SHALL BE STRICTLY IN CONFORMANCE WITH CITY OF KINGSPORT TENNESSEE STANDARD PUBLIC WORKS SPECIFICATIONS.
- WATER LINE TIES, VALVES AND APPURTENANCES ETC.
- AT INTERSECTION OF 8" D.I.P. TO 8" D.I.P. PROVIDE 8" x 8" TEE AND 8" GATE VALVE AND 8" GATE VALVE EACH APPLICABLE SIDE OF INTERSECTION.
 - AT INTERSECTION OF 8" D.I.P. TO 8" D.I.P. PROVIDE 8" x 8" TEE AND 8" GATE VALVE AND 8" GATE VALVE EACH APPLICABLE SIDE OF INTERSECTION.
 - AT INTERSECTION OF 8" D.I.P. TO 2" PVC PROVIDE 8" x 4" TEE AND 2" GATE VALVE AND 8" GATE VALVE EACH APPLICABLE SIDE OF INTERSECTION.

The Edinburg Group, LLC
Gibson Springs Phases II & III
 Kingsport, Tennessee

Architectural
 Services
**Cain
 Rash
 West**
 ARCHITECTS

130 Regional Park Dr
 Kingsport, TN 37660
 Phn: (423) 348-7780
 Fax: (423) 348-7415
 www.grcnc.com



ISSUED: 05/19/2020
 CHECKED: BNU
 APPROVED: BNU
 DRAWN: BNU
 PROJECT NO: 19304
 DRAWING NAME: WATER LINE LAYOUT

C-12

City of Kingsport
MATERIALS AGREEMENT

Developer	Development	Proposed Lots/Development	Agreement Amt.	Date	Bldg. Permits	CO's	Reim to Dev	Status
Butch Rose	Hillcrest Heights	6	\$5,140.09	06/19/07	3	3	\$4,636.74	Closed
	Windridge Phase IV	40	\$92,202.29	04/15/08	16	15	\$85,648.47	Closed
Jeff McKee	Settler's Ridge Phase I	41	\$45,344.29	03/20/07	Total of 7	7	\$41,214.30	Closed
	Settler's Ridge Phase II	7	\$18,822.89	11/06/07			\$17,439.89	Closed
Edinburgh Group LLC	Edinburgh Phase IA, Section 1	32	\$42,867.62	02/19/07	Total of 221	191	\$39,474.82	Closed
	Edinburgh Phase IA, Section 2	15	\$25,205.92	04/17/07			\$23,273.53	Closed
	Edinburgh Phase 2, Section 1A	6	\$2,852.48	02/02/10			\$2,659.62	Closed
	Edinburgh Phase 2, Section 2	6	\$11,976.02	11/16/10			\$11,116.69	Closed
	Edinburgh Phase 2, Section 2B	11	\$9,472.85	10/18/11			\$8,770.02	Closed
	Edinburgh Phase 2, Section 2C	14	\$20,128.29	04/03/12			\$18,549.10	Closed
	Edinburgh Phase 2, Section 2E	8	\$25,177.34	10/02/12			\$23,403.87	Closed
	Edinburgh Phase 2, Section 2F	9	\$19,382.60	05/07/13			\$17,792.14	Closed
	Edinburgh Phase 4	17	\$65,033.97	07/24/13			\$60,735.18	Closed
	Edinburgh Phase V	12	\$51,965.42	10/7/2014			\$48,501.91	Closed
	Edinburgh Phase VII	20	\$27,552.51	6/2/2015			\$25,162.11	Closed
	Edinburgh Phase 9	6	\$5,917.93	5/5/2016			\$5,386.74	Closed
	Edinburgh Phase 10	10	\$38,265.22	3/1/2017			\$34,953.21	Closed
	Edinburgh South Phase 1	23	\$36,694.42	11/1/2016			\$33,722.81	Closed
	Edinburgh Phase 11	14	\$26,250.40	6/19/2018			\$23,984.14	Closed
	Edinburgh S Phase 2 Gibson Spr	24	\$28,924.56	5/5/2020				Open
	Edinburgh S Phase 3 Gibson Spr	19	\$38,378.10	10/15/2019			\$35,631.30	Closed
	Edinburgh Phase 12	13	\$12,752.16	7/23/2019				Open
Jerry Petzoldt	Old Island Phase II	59	\$118,027.86	05/06/08	43	41	\$111,538.58	Closed
Jim Nottingham	Riverwatch	29	\$47,605.13	04/15/08	20	20	\$44,680.99	Closed
Harold Stemp & Jack McMurray	Villas at Andover - Polo Fields	104	\$76,522.72	08/07/07	46	45	\$70,722.51	Closed
George Hunt	Hunts Crossing Phase II	22	\$18,375.20	04/15/08	6	6	\$16,883.63	Closed
Rob McLean	Anchor Point	80	\$72,552.51	07/15/08	42	41	\$66,603.46	Closed
	Anchor Point - Topsail Court	Included in Anchor Point	\$3,816.08	08/05/08		0		Closed
	Stapleton Dr Phase I	7	\$8,757.81	08/19/08	4	4	\$8,203.18	Closed
Ken Bates	Chase Meadows Phase I (reim for 1)	15	\$39,418.91	07/15/08	Total of 60	55	\$31,518.06	Closed
	Chase Meadows Phase II (amt not paid)	87	(\$58,096.96)	08/19/08				Closed
Terry Orth	Autumn Woods Phase I	19	\$30,628.25	10/07/08	19	19	\$28,588.47	Closed
	Autumn Woods Phase II	51	\$97,091.46	09/01/09	42	42	\$91,166.09	Closed
Gary Alexander	Riverbend Phase I	15	\$32,767.17	02/03/09	10	0	\$26,351.32	Closed
	Riverbend - Epcon Phase II (tabled 1/10/11)	9	(\$33,171.54)	02/01/11				Closed
Leonard & Cynthia Gerber	St Andrew's Garth Phase I	40	\$34,049.03	03/16/10	8	8	\$30,938.04	Closed
Jane Karst	Jane Karst Subdivision	4	\$4,100.78	09/20/11			\$3,799.14	Closed
M & M Builders	Brookton Park Subdivision	7	\$2,145.88	09/20/11	7	7	\$1,959.94	Closed
Vic Davis	The Summitt at Preston Park Ph 3	20	\$79,327.82	12/03/13	4	3	\$70,967.77	Closed
	TOTAL	921	\$1,214,225.48		558	507	\$1,165,977.77	

Revised 08/04/20



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 McCartt, City Manager *CM*

Action Form No.: AF-263-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Chris Markley
 Presentation By: Chris McCartt

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 2020-2021 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 2020-2021 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 2020-2021, 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 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Approving a Real Estate Purchase and Sale Contract and Related Documents with Cayenne Rental Properties, GP to Purchase Unit 304 and Additional Areas Located in the Press Building Condominium

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

Action Form No.: AF-274-2020
Work Session: October 5, 2020
First Reading: N/A

Final Adoption: October 6, 2020
Staff Work By: David Frye
Presentation By: David Frye

Recommendation:

Approve the Resolution.

Executive Summary:

At a called meeting on September 24, 2020, the Board of Education approved a Real Estate Purchase and Sale Contract with Cayenne Rental Properties to purchase Unit 304 and additional areas located in the Press Building Condominium. Unit 304 is currently being leased by Kingsport City Schools for the operation of its' DB Excel program. The additional areas would allow for expansion of the program and/or other uses by Kingsport City Schools. The total purchase price is \$1,977,390 and will be funded by the City of Kingsport issuing capital outlay notes for \$2,000,000. The payments for the capital outlay notes will come from funding within the General Purpose School fund and will require no increase in the City of Kingsport maintenance of effort.

Unit 304 consists of finished space totaling 16,596 sq. ft. with a purchase price of \$1,523,000. This also includes a finished parking lot that contains 56 parking spaces. Additional area A consists of partially finished space of 1,771 sq. ft. with a purchase price is \$354,390. Additional area B consists of 9,998 unfinished sq. ft. with a purchase price is \$300,000.

Attachments:

1. Resolution
2. Real Estate Purchase & Sale Contract
3. Termination of Lease Agreement
4. Termination of ROFR and Option
5. Memorandum to BOE

Funding source appropriate and funds are available: *CM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *CM*

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A REAL ESTATE PURCHASE AND SALE CONTRACT; A TERMINATION OF LEASE AGREEMENT; A TERMINATION OF RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT; AND ACCEPTANCE OF A WARRANTY DEED WITH CAYENNE RENTAL PROPERTIES, GP FOR SPACE LOCATED IN THE PRESS BUILDING CONDOMINIUM AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE PURCHASE

WHEREAS, Kingsport City Schools currently leases Unit 304 of the Press Building Condominium for the DB Excel Program from Cayenne Rental Properties, GP; and

WHEREAS, Kingsport City Schools would like to purchase Unit 304 from Cayenne Rental Properties, GP, that is finished space totaling 16,596 square feet, of the Press Building Condominiums, area A consisting of partially finished space of 1,771 square feet, area B consisting of 9,998 unfinished square feet, and a finished parking lot that contains 56 parking spaces (herein Additional Areas); and

WHEREAS, the total purchase price for the purchase is \$1,977,390.00 and will be funded by the City of Kingsport issuing capital outlay notes for \$2,000,000; and

WHEREAS, the board of education approved this purchase of unit 304 in the Press Building Condominiums and Additional Areas at a called meeting on September 24, 2020, and requests that the board of mayor and alderman approve the same.

Now therefore,

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

SECTION I. That a Real Estate Purchase and Sale Contract with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas 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 Real Estate Purchase and Sale Contract with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas 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:

REAL ESTATE PURCHASE AND SALE CONTRACT

THIS REAL ESTATE PURCHASE AND SALE CONTRACT (the "Contract"), dated as of September __, 2020, is made by and between **CAYENNE RENTAL PROPERTIES, GP**, a Tennessee general partnership ("Seller") and **THE CITY OF KINGSFORT for the use and benefit of its Kingsport City Schools** ("Buyer"). Seller and Buyer are referred to herein from time to time individually as a "party" and collectively as the "parties."

RECITALS:

A. Seller owns Condominium Unit 304 (herein "Unit 304") of the Press Building Condominium (herein the "Condominium Building") located at 444 Clinchfield Street, Kingsport, Sullivan County, Tennessee (herein the "Condominium Unit").

B. In addition, Seller owns two areas located adjacent to Unit 304, one area being 1,771 square feet as shown on Exhibit A to this Agreement (herein "Additional Area A") and the other area being 9,998 square feet as shown on Exhibit B to this Agreement (herein "Additional Area B").

C. In addition, Seller owns the parking area described in Exhibit C attached hereto (herein "Additional Area C") (Additional Area A, Additional Area B, and Additional Area C collectively referred to as the "Additional Areas").

D. The Condominium Building is established under the Declaration of The Press Building Condominium dated June 23, 2010, of record in Book 2885C, page 537, Register of Deeds for Sullivan County at Blountville, Tennessee, as amended.

E. The Condominium Building and condominium units located therein are governed by the Press Office Building Owners Association and the Bylaws of the Press Office Building Condominium. The Condominium Building and each condominium unit therein are subject to the Tennessee Horizontal Property Act.

F. Buyer desires to purchase Unit 304 and the Additional Areas from Seller, and Seller is willing to sell the Condominium Unit and the Additional Areas to Buyer in accordance with the terms and conditions set forth in this Contract.

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer do hereby contract and agree as follows:

1. SALE AND PURCHASE

(a) Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, Unit 304 and the Additional Areas on the terms and conditions set forth in this Contract. Seller shall sell and convey to Buyer, and Buyer shall purchase, Unit 304 and the Additional Areas together with all easements, rights, and appurtenances belonging thereto and undivided interests in all the Common Elements of the Condominium Building, such undivided interests to be proportionate to the square footage of Unit 304 and the Additional Areas. Buyer understands that in purchasing Unit 304 and the Additional Areas Buyer will assume and become responsible for all obligations with respect to Unit 304 and the Additional Areas pursuant to the Declaration, the Tennessee Horizontal Property Act, and the Bylaws of the Press Building Condominium.

(b) Upon the parties' execution of this Contract, Seller will undertake the process of amending the Declaration to amend Unit 304 to incorporate Additional Area A and Additional Area B into Unit No. 304. Seller will cause appropriate amendment documents to be prepared and available for recordation concurrently with the Closing of this Contract. Seller will provide such amendment documents to Buyer for review and comment prior to Closing.

2. PURCHASE PRICE

The aggregate purchase price for Unit 304, Additional Area A, Additional Area B, and Additional Area C is One Million Nine Hundred Seventy-Seven Thousand Three Hundred Ninety Dollars (\$1,977,390.00) (the "Total Purchase Price"). The Total Purchase Price is allocated as follows:

(a) Unit 304 and Additional Area C. The purchase price for Unit 304 and Additional Area C is One Million Five Hundred Twenty-Three Thousand Dollars (\$1,523,000.00) (the "Unit 304-Area C Purchase Price").

(b) Additional Area A. The purchase price for Additional Area A is One Hundred Fifty-Four Thousand Three Hundred Ninety Dollars (\$154,390.00) (the "Additional Area A Purchase Price").

(c) Additional Area B. The purchase price for Additional Area B is Three Hundred Thousand Dollars (\$300,000.00) (the "Additional Area B Purchase Price").

(d) Earnest Money. Upon execution of this Contract, Buyer shall deliver to Seller the sum of One Thousand Dollars (\$1,000.00) in earnest money (the "Earnest Money"). The Earnest Money shall be credited to the Purchase Price at Closing (defined in Section 3), retained by Seller, or refunded to Buyer pursuant to the terms of this Contract; and

(d) Closing Payment. At Closing, Buyer shall pay to Seller an amount equal to the Total Purchase Price, less the Earnest Money, and less any other amounts to be paid by Seller under this Contract (the "Closing Payment"). The Closing Payment shall be paid to Seller by wire transfer pursuant to wire instructions provided by Seller or by cashier's check at Closing.

(e) Continued Rent Payments. Notwithstanding the parties' execution of this Contract, Buyer shall continue to pay the regular monthly lease payments of \$14,250.00 per month currently in effect between Buyer and Seller for Unit 304 for the months of September, October and November, 2020.

(f) Charitable Contribution Acknowledgement. Seller and Buyer acknowledge and agree that the purchase price for Unit 304 and Additional Area C is below fair market value, and that Seller has

agreed to sell Unit 304 and Additional Area C at the Unit 304-Area C Purchase Price in order to provide a charitable contribution to Kingsport City Schools. To the extent permitted by Federal Tax law, Seller intends to claim a charitable contribution deduction for income tax purposes for the difference between the Unit 304-Area C Purchase Price and the fair market value of Unit 304 and Additional Area C as determined by independent appraisal. Buyer agrees to cooperate with Seller in regard to such charitable contribution and to execute and documents needed by Seller to document such contribution deduction. Seller shall bear all costs and expenses associated with such documentation.

3. CLOSING AND CLOSING DATE

Subject to fulfillment and satisfaction of the conditions to Closing set forth herein, including, but not limited to, the conditions precedent set forth in **Section 8**, the purchase and sale of the Condominium Unit (the "Closing") shall occur on or before November 24, 2020. The actual date as of which the Closing occurs is referred to herein as the "Closing Date". The Closing shall take place at a time and location mutually agreed upon by the parties. Buyer and Seller agree to deliver the documents and items set forth in **Section 11**, and to execute such other documents as may be reasonably necessary in the opinion of counsel for Seller and Buyer to consummate and close the purchase and sale of the Condominium Unit pursuant to the terms and provisions of this Contract.

4. SURVEY

Seller shall obtain, at Seller's cost and expense, a survey of Unit 304 and the Additional Areas including an updated survey of the parking area designated as Additional Area C and such re-subdivision plat as is required to incorporate Additional Areas A and B into revised Unit 304. . Such survey(s) shall be in form and substance satisfactory to Buyer in its sole discretion (the "survey"). If the survey (i) is not reasonably acceptable to Buyer in its sole discretion, (ii) shows the dimensions or location of Unit 304 and the Additional Areas, the Condominium Building or the land on which the Condominium Building is located, or any part thereof, to encroach on a boundary line or violate an applicable setback or sideline restriction, or (iii) shows any materially adverse conditions or matters affecting Unit 304 and the Additional Areas, the Condominium Building, or the land on which the Condominium Building is located, which are not approved by Buyer in its sole discretion, then Buyer shall, within twenty (20) days from receipt of the survey, notify Seller in writing of Buyer's objections to the survey and Seller shall thereupon have twenty (20) days to remove or cure such objections to Buyer's reasonable satisfaction. If Seller fails to satisfy such objections within such twenty (20) day period, Buyer shall have the right, in its sole discretion, to (i) terminate this Contract whereupon all Earnest Money shall be returned to Buyer and the parties shall have no further obligation to each other under this Contract, (ii) extend the time period for removing or curing any objectionable item by written notice to Seller, or (iii) close the purchase and sale of Unit 304 and the Additional Areas without reduction in the Purchase Price. Seller shall not be obligated to incur any expense to remove, cure or satisfy any of Buyer's exceptions or objections to the survey.

5. TITLE EXAMINATION

Buyer, at its expense, shall have a title examination conducted and secure a title opinion (the regarding Unit 304 and the Additional Areas issued by an attorney chosen by Buyer. If the title opinion contains exceptions other than (a) the Declaration, (b) Property Taxes (defined in **Section 14**) for 2020 which are not yet due and payable, or (c) other exceptions which Buyer has expressly approved in writing, then Buyer shall so notify Seller of its objections to such exceptions within twenty (20) days of Buyer's receipt of the title opinion and Seller shall have twenty (20) days from receipt of the Buyer's objections (the "Title Cure Period") to resolve such exceptions to Buyer's reasonable satisfaction. If Seller is unable to cure or resolve such exceptions to Buyer's satisfaction within the Title Cure Period, Buyer shall have the right to (i) terminate this Contract and receive a full refund of the Earnest Money, in which event, the parties shall have no further obligation to each other under this Contract, (ii) extend the Title Cure Period for a reasonable length of time mutually agreed upon by the parties, (iii) or proceed to close the purchase and sale of the Condominium Unit without reduction in the Purchase Price. Seller shall not be obligated to incur any expense to remove, cure or satisfy any of Buyer's exceptions or objections.

6. PHYSICAL INSPECTIONS

Buyer acknowledges that it has had substantial opportunity to conduct physical inspections of Unit 304 and the Additional Areas prior to entering into this Contract, and Buyer acknowledges that it has fully disclosed to Seller the results of such inspections. Buyer and its respective officers, employees, advisors, consultants, and other agents and representatives shall have until September 30, 2020 to complete any remaining inspections (the "Final Inspection Period"). Buyer shall be entitled to enter upon Unit 304 and the Additional Areas from time to time, to conduct and make any and all remaining studies, tests, examinations, surveys, inquiries, inspections and investigations of or concerning Unit 304 and the Additional Areas, and otherwise confirm all matters which Buyer may reasonably desire

to confirm with respect to Unit 304 and the Additional Areas and Buyer's intended use of Unit 304 and the Additional Areas.

7. DEED AND TITLE

Simultaneously with the Closing or immediately prior to Closing, Seller shall record an amended plat of Unit 304 for the purpose of incorporating Additional A and Additional Area B into revised Unit 304. Seller shall convey revised Unit 304 (as amended to include Additional A and Additional Area B) and Additional Area C to Buyer pursuant to general warranty deed with general warranty of title, free from all encumbrances except for the covenants and restrictions provided for under the Master Deed, Declaration of the Press Building Condominium dated June 23, 2010, of record in Book 2885C, page 537, Register of Deeds for Sullivan County at Blountville, Tennessee and Bylaws of the Press Building Condominium and Press Building Condominium Association, and any other exceptions which are accepted in writing by Buyer (the "Deed"). In addition to the amendment to the Declaration necessary to incorporate Additional A and Additional Area B into Unit 304, Buyer acknowledges that Seller intends to amend the Declaration to (i) make provision for the potential construction of indoor parking on the first floor of the Condominium building, and (ii) insure that future improvements by owners of Condominium units do not impede access to the building's major operating elements including utilities infrastructure and connections, elevators, stairways, common areas, the designated Common Elements under the Declaration, and similar major service components.

Seller shall also execute and deliver an owner's affidavit and/or an indemnity and such other documents customarily required by title insurance companies in Tennessee to support the issuance of an owner's title insurance policy in a customary and standard form as approved by the title insurance company selected by Buyer; provided, however, Seller shall not be obligated to procure or deliver a title insurance commitment or title insurance policy.

8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

The obligations of Buyer to consummate the purchase and sale of the Condominium Unit pursuant to this Contract are contingent upon and subject to the satisfaction, as of the 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 the Closing):

- (a) Buyer and Buyer's designees, if any, shall have given final approval to the purchase of Unit 304 and the Additional Areas;
- (b) The results, substance and form of the survey, title examination, and title opinion shall be acceptable to Buyer in its sole discretion. There shall be no change in the matters reflected in the title opinion, and there shall not exist any liens, encumbrances, title defects or other matters affecting Unit 304 and the Additional Areas not described in such title opinion;
- (c) The results of the inspections conducted by Buyer pursuant to Section 6 shall be acceptable to Buyer in its sole discretion. No material and substantial change shall have occurred with respect to Unit 304 and the Additional Areas which would in any way affect the findings of the inspections conducted pursuant to Section 6;
- (d) Seller shall not, at or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Seller's part required by the terms of this Contract;
- (e) There shall be no change in the matters reflected in the survey;
- (f) Zoning of Unit 304 and the Additional Areas use shall not then be in question or subject to challenge or review;
- (g) Buyer and Seller shall have received all necessary consents and approvals of federal, state, or local governmental agencies or bodies, regulatory authorities, and other third parties, with respect to the transactions contemplated by this Contract;
- (h) There shall have been no material change in the condition of Unit 304 or the Additional Areas from the time of the completion of the physical inspection performed by the Buyer;
- (i) There shall be no pending or threatened litigation involving either Buyer or Seller which would materially affect Buyer's or Seller's, as the case may be, ability to consummate the transactions contemplated by this Contract;
- (j) The representations and warranties made by Seller in this Contract shall be true and correct in all material respects when made and as of the Closing Date; and
- (k) Seller shall have executed and delivered to Buyer at the Closing the documents and items described in Section 11 and such other documents as may be reasonably requested by Buyer in order to consummate the sale, purchase and transfer of Unit 304 and the Additional Areas as contemplated by this Contract including an amendment to the Declaration, in form and substance acceptable to Buyer and in proper form for recordation with the Register of Deeds for Sullivan County, Tennessee, amending the boundaries of Unit 304 to incorporate Additional Area A and Additional Area B into Unit 304.

If any condition specified in this Section 8 is not fully satisfied by Closing, Buyer may, at its option,

- (i) waive such condition and consummate the purchase of Unit 304 and the Additional Areas, or (ii)

terminate this Contract by written notice to Seller, and upon such termination all Earnest Money shall be returned to Buyer and the parties shall have no further obligation to each other under this Contract.

9. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents to and warrants for the benefit of Buyer that:

(a) Seller is the sole and lawful owner of Unit 304 and the Additional Areas, has the sole and exclusive right to sell and transfer Unit 304 and the Additional Areas to the Buyer, and shall convey good and marketable title to Unit 304 and the Additional Areas free from all encumbrances except for the covenants and restrictions provided for under the Master Deed, Declaration of the Press Building Condominium dated June 23, 2010, of record in Book 2885C, page 537, Register of Deeds for Sullivan County at Blountville, Tennessee and Bylaws of the Press Building Condominium and Press Building Condominium Association and any other exceptions which are accepted in writing by Buyer;

(b) Seller is a Tennessee general partnership, validly existing and in good standing under the laws of the State of Tennessee, with full power and authority to enter into and perform its obligations under this Contract. This Contract and all documents executed by Seller to be delivered to Buyer in connection herewith have been duly authorized, executed, and delivered, that such documents constitute legal, valid and binding obligations of Seller enforceable in accordance with their respective terms, that such documents are sufficient to convey title to Unit 304 and the Additional Areas and do not violate any provisions of any agreement, judicial order or governmental ruling to which Seller is a party or to which Seller or Unit 304 and the Additional Areas are subject, and that such documents do not violate any applicable local, state or federal law, regulation, rule or ordinance;

(c) All Condominium assessments, charges and expenses applicable to Unit 304 and the Additional Areas have been paid in full as of the execution of this Contract and will be fully paid or otherwise provided for as of the Closing Date;

(d) As of the Closing Date, Unit 304 and the Additional Areas shall be free and clear of all liens, mortgages, charges, encumbrances, security interest, equities, claims or impediments of any nature, and Seller shall indemnify and hold Buyer harmless from and against any and all third party liens or encumbrances arising by or through Seller at any time prior to the Closing Date;

(e) Seller has not received any notice that Unit 304 or the Additional Areas or any fixtures or improvements are in violation of any applicable building code, zoning ordinance, land use or other similar laws;

(f) There is no material claim, action, suit, inquiry, proceeding, or investigation pending or threatened against Seller or Unit 304 or the Additional Areas that in any manner raises any question affecting the validity or enforceability of this Contract or the consummation of the transactions contemplated by this Contract, or that could materially or adversely affect the Buyer's use of the Condominium Unit for purposes consistent with the Declaration as in effect from time to time;

(g) Seller has not received notice of, and to Seller's knowledge there has been no notice of, any, federal, state, county or other governmental order or requirement of any governmental body concerning a condition existing in Unit 304 or the Additional Areas or the Condominium Building which has not yet been remedied to the satisfaction of the governmental authority having jurisdiction;

(h) Seller is not a "foreign person" as defined in the Foreign Investment in Real Property Tax Act, 26 U.S.C. 1445(f)(3), as amended ("FIRPTA"), and Seller agrees to execute and deliver to Buyer certificates to that effect, including Seller's federal tax identification number, at the Closing;

(i) There are no outstanding options or rights of first refusal to purchase Unit 304 or the Additional Areas or any interest therein;

(j) To the best of Seller's knowledge, Seller is in compliance, in all material respects, with the provisions of all laws applicable to Unit 304 and the Additional Areas;

(k) There are no condemnation proceedings pending or, to the best of Seller's knowledge, threatened against Unit 304 or the Additional Areas;

(l) Except for the Declaration and the Condominium Bylaws, Seller is not a party to any agreements, whether oral or written, express or implied, with respect to Unit 304 and the Additional Areas or the maintenance or management of Unit 304 and the Additional Areas;

(m) The Declaration of the Press Building Condominium (the "Declaration") is of record at Book 2885C, page 537 of the Register of Deeds for Sullivan County, Tennessee (the "Register's Office"), as amended by instruments of record as follows: Book 3013, page 1829, Book 3030, page 1100, Book 3033, page 1646, Book 3034, page 1317, Book 3048, page 2399, Book 3132, page 273, Book 3192, page 2153, Book 3196, page 942, Book 3200, Page 1102, Book 3292, Page 176, Book 3309, Page 2295, Book 3315, Page 2049, Book 3320, 1786, and Book 3381, page 1849; and

(n) All of Seller's representations and warranties contained in this **Section 9** shall be true as of the Closing but shall terminate immediately upon completion of Closing; provided, however, Seller's representations and warranties in **Section 9(a)** and **Section 9(c)** shall survive Closing.

10. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents to Seller that:

- (a) Buyer has full power and authority to enter into and perform its obligations under this Contract and to execute and deliver all documents, agreements, certificates and instruments to be executed by Buyer pursuant to this Contract.
- (b) This Contract and all documents executed by Buyer in connection herewith have been duly authorized and approved as required under Buyer's charter, ordinances and regulations. Such documents constitute legal, valid and binding obligations of Buyer enforceable in accordance with their respective terms and do not violate any provisions of any agreement, judicial order or governmental ruling to which Buyer is a party, and that such documents do not violate any applicable local, state or federal law, regulation, rule or ordinance to which Buyer is subject.

11. DELIVERIES AT CLOSING

11.1 Deliveries by Seller. Seller shall execute and deliver the following items at Closing:

- (a) A Warranty Deed, in form and substance acceptable to Buyer, conveying (i) revised Unit 304 to Buyer, to include existing Unit 304 and Additional Area and Additional Area B, and (ii) Additional Area C;
- (b) One or more amendments to the Declaration, in form and substance acceptable to Buyer and in proper form for recordation with the Register of Deeds for Sullivan County, Tennessee, amending the boundaries of Unit 304 to (i) incorporate Additional Area A and Additional Area B into revised Unit 304 and (ii)) make provision for the potential construction of indoor parking on the first floor of the Condominium building, and insure that future improvements by owners of Condominium units do not impede access to the building's major operating elements including utilities infrastructure and connections, elevators, stairways, common areas, the designated Common Elements under the Declaration, and similar major service components.
- (c) An owner's affidavit and such other documents customarily required by title insurance companies in Tennessee to support the issuance of an owner's title insurance policy, each in a form prescribed or approved by the title insurance company selected by Buyer and which is sufficient to enable the title company to delete the standard pre-printed exceptions to the title insurance policy to be issued pursuant to the title commitment;
- (d) A certification of Seller's non-foreign status pursuant Section 1445 of the Internal Revenue Code of 1986, as amended;
- (e) Resolutions and such other organizational documents as Buyer or its lender or title insurance company shall reasonably require evidencing Seller's authority to consummate this transaction; and
- (f) A closing statement approved by Buyer and Seller.

11.2 Deliveries by Buyer. Buyer shall execute and deliver the following items at Closing:

- (a) The Closing Payment, plus or minus the adjustments or prorations required by this Contract;
- (b) Resolutions, consents, and such other documents as Buyer or its lender or title insurance company shall reasonably require evidencing Buyer's authority to consummate the purchase and sale of the Condominium Unit pursuant to this Contract; and
- (c) A closing statement approved by Buyer and Seller.

12. EVENTS OF DEFAULT AND REMEDIES

12.1 Default by Buyer. If Buyer defaults in performing any of its obligations under this Contract, Seller shall have the right to terminate this Contract by written notice to Buyer, in which event the Seller shall retain the Earnest Money as liquidated damages, the actual damages being difficult, if not impossible to determine.

12.2 Default by Seller. If Seller defaults in performing any of its obligations under this Contract, or if any of Seller's representations or warranties contained herein are not true in all material respects as of Closing, then Buyer's sole remedy shall be either to (i) terminate this Contract by written notice to Seller and receive a refund of the Earnest Money, in which event neither party shall have any further rights or obligations hereunder, except as expressly provided herein, or (ii) obtain specific performance of Seller's obligation to convey title to Unit 304 and the Additional Areas.

12.3 Post Closing Remedies. If Closing is consummated, then each party shall have all remedies available at law or in equity in the event either fails to perform any of their respective obligations under this Contract which expressly survive Closing.

13. NOTICE

Any notice or demand on either party hereunder shall be deemed to have been given when (i) delivered by hand, (ii) sent by recognized overnight courier service, or (iii) mailed to the other party by Certified Mail, Return Receipt Requested, United States postage prepaid, at or to the addresses set forth below:

Seller: Cayenne Rental Properties, GP
273 Main Street
Piney Flats, Tennessee 37686

Attn: J. Andy Bonner, Jr.
Buyer: The City of Kingsport, for the benefit of its Kingsport City Schools
400 Clinchfield Street
Kingsport, Tennessee 37660
Attn:

14. PRORATIONS AND ADJUSTMENTS TO PURCHASE PRICE

14.1. Real Estate Taxes. All real estate and ad valorem taxes, and other such charges constituting a lien or encumbrance on Unit 304 or the Additional Areas (collectively the "Property Taxes") shall be paid and adjusted as stated in this Section 14.1. All Property Taxes for years ending before the Closing Date shall be the responsibility of Seller. Property Taxes for the year 2020 shall be prorated between Seller and Buyer, with Seller being responsible for the portion of such year before the Closing Date and Buyer being responsible for the portion of such year on and after the Closing Date. Property Taxes that relate to a year commencing after the Closing shall be the responsibility of the Buyer. All installments of Property Taxes having a due date before the Closing Date shall be paid by Seller in a timely manner before the Closing Date, and Buyer shall pay all installments of Property Taxes having a due date on or after the Closing Date. At the Closing, the net amount of all Property Tax pro rations computed according to this Section 14.1, based upon which party is responsible for such Property Taxes and which party is to pay such Property Taxes, shall be added to or deducted from the Closing Payment. If the amount of any Property Taxes is not fixed and determined as of the Closing, the foregoing Closing adjustment shall be based on the amount thereof as reasonably estimated at Closing, which amount shall be adjusted once the 2020 Property tax information is made available to either Seller or Buyer. The obligations of this Section 14.1 shall survive Closing.

14.2. Condominium Owner's Association Fees. All Condominium dues, assessments, costs, expenses and fees owed by Seller with respect to Unit 304 or the Additional Areas ("Condominium Fees"), shall be paid and adjusted as stated in this Section 14.2. All Condominium Fees for years ending before the Closing Date, whether or not such fees have been collected by the Condominium Owner's Association for any particular year or years, shall be the responsibility of Seller. Condominium Fees that relate to calendar year 2020 shall be prorated between Seller and Buyer, with Seller being responsible for the portion of such year before the Closing Date and Buyer being responsible for the portion of such year on and after the Closing Date. Condominium Fees that relate to any calendar year commencing after 2020 shall be the responsibility of the Buyer. All installments of Condominium Fees having a due date before the Closing Date shall be paid by Seller in a timely manner before the Closing Date, and Buyer shall pay all installments of Condominium Fees having a due date on or after the Closing Date. At the Closing, the net amount of all Condominium Fees pro rations computed according to this Section 14.2, based upon which party is responsible for such Condominium Fees and which party is to pay such Condominium Fees, shall be added to or deducted from the Closing Payment. If the amount of any Condominium Fees is not fixed and determined as of the Closing, the foregoing Closing adjustment shall be based on the amount thereof as reasonably estimated at Closing, which amount shall be adjusted once the applicable condominium fee and assessment information for 2020 is made available to either Seller or Buyer. The obligations of this Section 14.2 shall survive Closing.

15. EXPENSES OF SELLER

Seller shall be responsible for the following expenses:

- (a) The amount of Property Taxes due in respect of Unit 304 or the Additional Areas for years ending before the Closing Date and for the portion of calendar year 2020 before the Closing Date;
- (b) The cost of preparing the Deed;
- (c) The cost of preparing and recording any amendments to the Declaration required to incorporate Additional Areas A and B into revised Unit 304;
- (d) The cost of any surveys and plats required to amend the Declaration to incorporate Additional Areas A and B into revised Unit 304 and confirm the boundaries of Additional Area C; and
- (e) Seller's attorney's fees and any other professional advisory fees contracted by Seller in connection with this Contract.

16. EXPENSES OF BUYER

Buyer shall be responsible for the following expenses:

- (a) The cost of any title examination conducted and any title insurance policy obtained in connection with Unit 304 or the Additional Areas;
- (b) The cost of any inspections of Unit 304 and the Additional Areas;
- (c) The cost of any financing obtained by the Buyer in connection with Buyer's purchase of Unit 304 or the Additional Areas;
- (d) The cost of recording the Deed and any transfer or recordation tax associated with the Deed; and

(e) Buyer's attorney's fees and any other professional advisory fees contracted by Buyer in connection with this Contract.

17. "AS IS" PURCHASE; RISK OF LOSS

(a) By executing this Contract, Buyer accepts Unit 304 and the Additional Areas Unit "AS IS" with no warranty of merchantability or fitness for a particular purpose, and Buyer agrees that Seller shall have no obligation to undertake any repairs, modifications, or restoration to the current physical condition.

(b) The risk of loss or damage to Unit 304 or the Additional Areas by fire or other casualty shall remain with the Seller until Closing. In the event of such loss before Closing which exceeds \$25,000 and materially affects Buyer's ability to improve and use Unit 304 or the Additional Areas as contemplated by Buyer, this Contract shall be voidable at the option of Buyer in its sole and absolute discretion, in which event the parties shall have no further obligation to each other under this Contract. In the event of pre-closing loss or damage, and if Buyer elects to proceed with the purchase of the Condominium Unit following such loss or damage before Closing, Seller shall repair any loss or damage up to the amount of the applicable insurance deductible and/or provide to Buyer monies up to the applicable deductible amount required for repairs and, in the event the damage or loss exceeds the deductible amount, Seller shall assign the proceeds of any insurance or casualty policy applicable to such loss and/or damage and shall diligently work with the insurer(s) to obtain all available insurance funds for such loss and/or damage and provide such funds to Buyer upon receipt. If legal action is necessary to recover under any insurance or casualty policy, Seller shall act in good faith to bring such action.

18. BROKERS

Each party represents to the other that it has not retained or used the services of a broker or agent in connection with the transaction contemplated by this Contract. To the extent permitted by Tennessee law, each party agrees to indemnify and hold the other harmless from any claims of brokers or agents for fees or commissions arising out this Contract.

19. TIME IS OF THE ESSENCE

Time is of the essence to the performance of this Contract.

20. COMPLETE AGREEMENT; AMENDMENT

This Contract contains the full and complete agreement between the parties with respect to the purchase and sale of Unit 304 and the Additional Areas and there are no other agreements, express or implied, which are not stated herein. All understandings and agreements heretofore expressed between the parties with regard to the purchase and sale of Unit 304 and the Additional Areas are hereby merged into this Contract. The parties have entered into this Contract after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, or representations not embodied in this Contract. This Contract may not be amended or modified, except by a writing signed by both parties hereto.

21. POSSESSION

Delivery of possession of Unit 304 and the Additional Areas to Buyer shall occur at Closing.

22. BINDING EFFECT

This Contract shall be binding upon and inure to the benefit of Seller and Buyer and their respective heirs, legal representatives, successors and assigns.

23. GOVERNING LAW

The laws of the State of Tennessee shall govern this Contract, and venue for any dispute hereunder shall lie in the Tennessee state courts in Sullivan County, Tennessee.

24. SURVIVAL OF CONTRACT

Except for the provisions of Section 9(a), Section 9(c), and Section 17(a), the provisions of this Contract shall not survive Closing and shall be deemed to be merged into the Deed delivered by Seller at Closing.

IN WITNESS WHEREOF, the parties have executed this Contract by and through their respective duly authorized officers as of the date first written above.

[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 a Termination of Lease Agreement with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas is approved.

SECTION V. 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, Termination of Lease Agreement with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas 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:

TERMINATION OF LEASE AGREEMENT

THIS TERMINATION OF LEASE AGREEMENT, dated _____, 2020, is made by **THE PRESS GROUP, LLC**, a Tennessee limited liability company, and its successor in title, **CAYENNE RENTAL PROPERETIES, GP**, a Tennessee general partnership (collectively referred to herein as "Grantor") and **THE CITY OF KINGSPORT for the use and benefit of its Kingsport City Schools (the City)**.

RECITALS:

A. Grantor and City have heretofore entered into a Lease Agreement dated May 17, 2016 (the "Lease Agreement"), which provides for City's right to lease certain office condominium space located in the Press Building Condominiums, 444 Clinchfield Street, Kingsport, Sullivan County, Tennessee, as more particularly described in said Option Agreement.

B. Pursuant to Real Estate Purchase and Sale Agreement dated _____, 2020 (the "Purchase Agreement"), the City is purchasing the property leased under the Lease Agreement and the parties have agreed to terminate the Lease Agreement simultaneously with the closing of the Purchase Agreement.

NOW, THEREFORE, Grantor and City do hereby terminate the Lease Agreement, effective as of _____, 2020. The City hereby surrenders, releases and discharges all rights provided to the City under the Lease Agreement including any rights of first refusal and purchase options provided under Lease Agreement.

IN WITNESS WHEREOF, the parties have executed this instrument by and through their respective duly authorized representatives as of the date first written hereinabove.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION VI. 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 VII. That the Termination of Right of First Refusal and Purchase Option Agreement with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas is approved.

SECTION VIII. 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 Termination of Right of First Refusal and Purchase Option Agreement with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas 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:

**TERMINATION OF RIGHT OF FIRST REFUSAL AND
PURCHASE OPTION AGREEMENT**

THIS TERMINATION OF RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT, dated _____, 2020, is made by **THE PRESS GROUP, LLC**, a Tennessee limited liability company, and its successor in title, **CAYENNE RENTAL PROPERTIES, GP**, a Tennessee general partnership (collectively referred to herein as "Grantor") and **THE CITY OF KINGSPORT** for the use and benefit of its **Kingsport City Schools** (the City").

RECITALS:

A. Grantor and City have heretofore entered into a Right of First Refusal and Purchase Option Agreement dated May 17, 2016 (the "Option Agreement"), which provides for City's right to purchase certain office condominium space located in the Press Building Condominiums, 444 Clinchfield Street, Kingsport, Sullivan County, Tennessee, as more particularly described in said Option Agreement.

B. The Option Agreement was entered into simultaneously with a Lease Agreement dated May 17, 2016 between The Press Group, LLC, as lessor, and the City, as lessee (the "Lease Agreement").

C. Pursuant to Real Estate Purchase and Sale Agreement dated _____, 2020 (the "Purchase Agreement"), the City is purchasing the property leased under the Lease Agreement and the parties have agreed to terminate the Option Agreement simultaneously with the closing of the Purchase Agreement.

NOW, THEREFORE, Grantor and City do hereby terminate the Option Agreement, effective as of _____, 2020. The City hereby surrenders, releases and discharges all rights provided to the City under the Option Agreement including any right of first refusal to lease or purchase provided under the Option Agreement.

IN WITNESS WHEREOF, the parties have executed this instrument by and through their duly authorized corporate representatives as of the date first written hereinabove.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION IX. 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 X. That the Warranty Deed with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas is approved.

SECTION XI. 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, acceptance on behalf of the city the Warranty Deed with Cayenne Rental Properties, GP for the purchase of Unit 304 of the Press Building Condominiums and Additional Areas and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Warranty Deed or this resolution, said Warranty Deed being as follows:

WARRANTY DEED

THIS DEED, made and entered into as of _____, 2020, by and between **CAYENNE RENTAL PARTNERS, GP**, a Tennessee general partnership, party of the first part, and the **CITY OF KINGSPORT, TENNESSEE**, a municipal corporation of the State of Tennessee, party of the second part;

WITNESSETH:

THAT FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00), cash in hand paid, receipt of which is hereby acknowledged, and other good and valuable consideration, the party of the first part has bargained and sold and does hereby grant, transfer and convey unto the party of the second part, its successors and assigns, with covenants of general warranty of title, the following described property located in the City of Kingsport, 11th Civil District of Sullivan County, Tennessee:

Parcel No. 1

BEING all of Revised Unit 304 of the Press Building Condominiums, as described in plat of record in Book _____, page _____, Register's Office for Sullivan County, Tennessee, together with the appurtenant percentage of undivided interest in the common elements all of which are set forth in

the Declaration of The Press Building Condominium of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Book 2885C, page 537, as amended.

AND BEING part of the same property conveyed to Cayenne Rental Partners, GP by Deed dated December 19, 2017, of record in Book 3271, page 535, said Register's Office.

Property Assessors Map No. Part of CTL 046H, Group No. K; Parcel No. _____

Parcel No. 2

BEGINNING at a 1/2 inch diameter metal rod found in a concrete sidewalk along Roller Street, corner to property of Kingsport Press, Inc. (Deed Book 330A, page 230) North 44° 37' 54" East, a distance of 50.38 feet to a 1/2 inch diameter metal rod found, corner to property of Edward M. Compton and Carolyn B. Compton (Deed Book 1301C, page 402); thence with the line of Campton, South 46° 45' 08" East, a distance of 126.27 feet to a metal post found, corner to property of Kingsport Press, Inc. (Deed Book 330A, page 230); thence with the line of Kingsport Press, Inc., South 44° 53' 53" West, a distance of 50.67 feet to a metal post found; thence North 46° 37' 18" West, a distance of 126.03 feet to the POINT OF BEGINNING, containing 0.15 acre, more or less, according to plat of survey prepared by Glenn Allen Shelnett, TN RLS No. 1542, dated August 29, 2002, and being Lot 4, Block 34, City of Kingsport, as shown on plat of record in the Office of the Register of Deeds for Sullivan County, Tennessee in Plat Book 5, page 179.

BEING the same property conveyed to Cayenne Rental Partners, GP, by Deed dated May 17, 2016, of record in Book 3200, page 1115, Register's Office of Sullivan County, Tennessee.

Tax ID: 46H; Group K; Parcel 003.00

Parcel No. 3

BEING Lot 5, Block 34, City of Kingsport, as shown on plat of record in the Office of the Register of Deeds for Sullivan County, Tennessee, in Plat Book 5, page 179.

BEING the same property conveyed to Cayenne Rental Partners, GP, by Deed dated May 17, 2016, of record in Book 3200, page 1117, Register's Office of Sullivan County, Tennessee.

Tax ID: Map 046H; Group K; Parcel 004.00

[NOTE: Cayenne will have an updated survey of the parking areas prepared in order to confirm the boundaries of the parking area]

TO HAVE AND TO HOLD together with all rights, interests, and appurtenances appertaining thereto unto the party of the second part, its successors and assigns, forever.

This conveyance is expressly made subject to the Declaration of The Press Building Condominium of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Book 2885C, page 537, as amended by instruments of record in Book 3013, page 1829, Book 3030, page 1100, Book 3033, page 1646, Book 3034, page 1317, Book 3048, page 2399, Book 3132, page 273, Book 3192, page 2153, Book 3196, page 942, Book 3200, Page 1102, Book 3292, Page 176, Book 3309, Page 2295, Book 3315, Page 2049, Book 3320, 1786, Book 3381, page 1849, and Book _____, page _____, Register's Office for Sullivan County, Tennessee, and all reservations, restrictions, easements, covenants and conditions contained in former instruments of record pertaining thereto and to all easements and encroachments apparent from an inspection of the property.

The party of the first part, for itself, its successors and assigns, covenants that it is lawfully seized and possessed of the property hereby conveyed; that it has a good and lawful right to convey the same; that said property is free and clear of any lien or encumbrance, except as herein stated; that it will execute such further assurances of title as may be reasonably required, and that it will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever.

WITNESS the following signature on this the day and year first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

SECTION XIII. 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, any and all other documents, including closing documents or donation documents, necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreements and documents approved herein, the purchase of the property, or this resolution.

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

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

REAL ESTATE PURCHASE AND SALE CONTRACT

THIS REAL ESTATE PURCHASE AND SALE CONTRACT (the "Contract"), dated as of September __, 2020, is made by and between **CAYENNE RENTAL PROPERTIES, GP**, a Tennessee general partnership ("Seller") and **THE CITY OF KINGSPORT for the use and benefit of its Kingsport City Schools** ("Buyer"). Seller and Buyer are referred to herein from time to time individually as a "party" and collectively as the "parties."

RECITALS:

- A. Seller owns Condominium Unit 304 (herein "Unit 304") of the Press Building Condominium (herein the "Condominium Building") located at 444 Clinchfield Street, Kingsport, Sullivan County, Tennessee (herein the "Condominium Unit").
- B. In addition, Seller owns two areas located adjacent to Unit 304, one area being 1,771 square feet as shown on **Exhibit A** to this Agreement (herein "Additional Area A") and the other area being 9,998 square feet as shown on **Exhibit BA** to this Agreement (herein "Additional Area B").
- C. In addition, Seller owns the parking area described in **Exhibit C** attached hereto (herein "Additional Area C") (Additional Area A, Additional Area B, and Additional Area C collectively referred to as the "Additional Areas").
- D. The Condominium Building is established under the Declaration of The Press Building Condominium dated June 23, 2010, of record in Book 2885C, page 537, Register of Deeds for Sullivan County at Blountville, Tennessee, as amended.
- E. The Condominium Building and condominium units located therein are governed by the Press Office Building Owners Association and the Bylaws of the Press Office Building Condominium. The Condominium Building and each condominium unit therein are subject to the Tennessee Horizontal Property Act.
- F. Buyer desires to purchase Unit 304 and the Additional Areas from Seller, and Seller is willing to sell the Condominium Unit and the Additional Areas to Buyer in accordance with the terms and conditions set forth in this Contract.

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer do hereby contract and agree as follows:

1. SALE AND PURCHASE

- (a) Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, Unit 304 and the Additional Areas on the terms and conditions set forth in this Contract. Seller shall sell and

convey to Buyer, and Buyer shall purchase, Unit 304 and the Additional Areas together with all easements, rights, and appurtenances belonging thereto and undivided interests in all the Common Elements of the Condominium Building, such undivided interests to be proportionate to the square footage of Unit 304 and the Additional Areas. Buyer understands that in purchasing Unit 304 and the Additional Areas Buyer will assume and become responsible for all obligations with respect to Unit 304 and the Additional Areas pursuant to the Declaration, the Tennessee Horizontal Property Act, and the Bylaws of the Press Building Condominium.

(b) Upon the parties' execution of this Contract, Seller will undertake the process of amending the Declaration to amend Unit 304 to incorporate Additional Area A and Additional Area B into Unit No. 304. Seller will cause appropriate amendment documents to be prepared and available for recordation concurrently with the Closing of this Contract. Seller will provide such amendment documents to Buyer for review and comment prior to Closing.

2. PURCHASE PRICE

The aggregate purchase price for Unit 304, Additional Area A, Additional Area B, and Additional Area C is One Million Nine Hundred ~~Eighty-Six~~Seventy-Seven Thousand Three Hundred Ninety Dollars (\$~~1,977,390.00~~1,986,390.00) (the "Total Purchase Price"). The Total Purchase Price is allocated as follows:

(a) Unit 304 and Additional Area C. The purchase price for Unit 304 and Additional Area C is One Million Five Hundred ~~Thirty-Two~~Twenty-Three Thousand Dollars (\$~~1,532,000.00~~1,523,000.00) (the "Unit 304-Area C Purchase Price").

(b) Additional Area A. The purchase price for Additional Area A is One Hundred Fifty-Four Thousand Three Hundred Ninety Dollars (\$154,390.00) (the "Additional Area A Purchase Price").

(c) Additional Area B. The purchase price for Additional Area B is Three Hundred Thousand Dollars (\$300,000.00) (the "Additional Area B Purchase Price").

(d) Earnest Money. Upon execution of this Contract, Buyer shall deliver to Seller the sum of One Thousand Dollars (\$1,000.00) in earnest money (the "Earnest Money"). The Earnest Money shall be credited to the Purchase Price at Closing (defined in **Section 3**), retained by Seller, or refunded to Buyer pursuant to the terms of this Contract; and

(d) Closing Payment. At Closing, Buyer shall pay to Seller an amount equal to the Total Purchase Price, less the Earnest Money, and less any other amounts to be paid by Seller under this Contract (the "Closing Payment"). The Closing Payment shall be paid to Seller by wire transfer pursuant to wire instructions provided by Seller or by cashier's check at Closing.

(e) Continued Rent Payments. Notwithstanding the parties' execution of this Contract, Buyer shall continue to pay the regular monthly lease payments of \$14,250.00 per month currently in effect between Buyer and Seller for Unit 304 for the months of September, ~~and~~ October ~~and~~ November, 2020.

(f) Charitable Contribution Acknowledgement. Seller and Buyer acknowledge and agree that the purchase price for Unit 304 and Additional Area C is below fair market value, and that Seller has agreed to sell Unit 304 and Additional Area C at the Unit 304-Area C Purchase Price in order to provide a charitable contribution to Kingsport City Schools. To the extent permitted by Federal Tax law, Seller intends to claim a charitable contribution deduction for income tax purposes for the difference between the Unit 304-Area C Purchase Price and the fair market value of Unit 304 and Additional Area C as determined by independent appraisal. Buyer agrees to cooperate with Seller in regard to such charitable contribution and to execute and documents needed by Seller to document such contribution deduction. Seller shall bear all costs and expenses associated with such documentation.

3. CLOSING AND CLOSING DATE

Subject to fulfillment and satisfaction of the conditions to Closing set forth herein, including, but not limited to, the conditions precedent set forth in Section 8, the purchase and sale of the Condominium Unit (the "Closing") shall occur on or before ~~October 31~~ November 24, 2020. The actual date as of which the Closing occurs is referred to herein as the "Closing Date". The Closing shall take place at a time and location mutually agreed upon by the parties. Buyer and Seller agree to deliver the documents and items set forth in Section 11, and to execute such other documents as may be reasonably necessary in the opinion of counsel for Seller and Buyer to consummate and close the purchase and sale of the Condominium Unit pursuant to the terms and provisions of this Contract.

4. SURVEY

Seller shall obtain, at Seller's cost and expense, a survey of Unit 304 and the Additional Areas including an updated survey of the parking area designated as Additional Area C and such re-subdivision plat as is required to incorporate Additional Areas A and B into revised Unit 304. . Such survey(s) shall be in form and substance satisfactory to Buyer in its sole discretion (the "survey"). If the survey (i) is not reasonably acceptable to Buyer in its sole discretion, (ii) shows the dimensions or location of Unit 304 and the Additional Areas, the Condominium Building or the land on which the Condominium Building is located, or any part thereof, to encroach on a boundary line or violate an applicable setback or sideline restriction, or (iii) shows any materially adverse conditions or matters affecting Unit 304 and the Additional Areas, the Condominium Building, or the land on which the Condominium Building is located, which are not approved by Buyer in its sole discretion, then Buyer shall, within twenty (20) days from receipt of the survey, notify Seller in writing of Buyer's objections to the survey and Seller shall thereupon have twenty (20) days to remove or cure such objections to Buyer's reasonable satisfaction. If Seller fails to satisfy such objections within such twenty (20) day period, Buyer shall have the right, in its sole discretion, to (i) terminate this Contract whereupon all Earnest Money shall be returned to Buyer and the parties shall have no further obligation to each other under this Contract, (ii) extend the time period for removing or curing any objectionable item by written notice to Seller, or (iii) close the purchase and sale of Unit 304 and the Additional Areas without reduction in the Purchase Price. Seller shall not be obligated to incur any expense to remove, cure or satisfy any of Buyer's exceptions or objections to the survey.

5. TITLE EXAMINATION

Buyer, at its expense, shall have a title examination conducted and secure a title opinion (the regarding Unit 304 and the Additional Areas issued by an attorney chosen by Buyer. If the title opinion contains exceptions other than (a) the Declaration, (b) Property Taxes (defined in **Section 14**) for 2020 which are not yet due and payable, or (c) other exceptions which Buyer has expressly approved in writing, then Buyer shall so notify Seller of its objections to such exceptions within twenty (20) days of Buyer's receipt of the title opinion and Seller shall have twenty (20) days from receipt of the Buyer's objections (the "Title Cure Period") to resolve such exceptions to Buyer's reasonable satisfaction. If Seller is unable to cure or resolve such exceptions to Buyer's satisfaction within the Title Cure Period, Buyer shall have the right to (i) terminate this Contract and receive a full refund of the Earnest Money, in which event, the parties shall have no further obligation to each other under this Contract, (ii) extend the Title Cure Period for a reasonable length of time mutually agreed upon by the parties, (iii) or proceed to close the purchase and sale of the Condominium Unit without reduction in the Purchase Price. Seller shall not be obligated to incur any expense to remove, cure or satisfy any of Buyer's exceptions or objections.

6. PHYSICAL INSPECTIONS

Buyer acknowledges that it has had substantial opportunity to conduct physical inspections of Unit 304 and the Additional Areas prior to entering into this Contract, and Buyer acknowledges that it has fully disclosed to Seller the results of such inspections. Buyer and its respective officers, employees, advisors, consultants, and other agents and representatives shall have until September 30, 2020 to complete any remaining inspections (the "Final Inspection Period"). Buyer shall be entitled to enter upon Unit 304 and the Additional Areas from time to time, to conduct and make any and all remaining studies, tests, examinations, surveys, inquiries, inspections and investigations of or concerning Unit 304 and the Additional Areas, and otherwise confirm all matters which Buyer may reasonably desire to confirm with respect to Unit 304 and the Additional Areas and Buyer's intended use of Unit 304 and the Additional Areas.

7. DEED AND TITLE

Simultaneously with the Closing or immediately prior to Closing, Seller shall record an amended plat of Unit 304 for the purpose of incorporating Additional A and Additional Area B into revised Unit 304. Seller shall convey revised Unit 304 (as amended to include Additional A and Additional Area B) and Additional Area C to Buyer pursuant to general warranty deed with general warranty of title, free from all encumbrances except for the covenants and restrictions provided for under the Master Deed, Declaration of the Press Building Condominium dated June 23, 2010, of record in Book 2885C, page 537, Register of Deeds for Sullivan County at Blountville, Tennessee and Bylaws of the Press Building Condominium and Press Building Condominium Association, and any other exceptions which are accepted in writing by Buyer (the "Deed"). In addition to the amendment to the Declaration necessary to incorporate Additional A and Additional Area B into Unit 304, Buyer acknowledges that Seller intends to amend the Declaration to (i) make provision for the potential construction of indoor parking on the first floor of the Condominium building, and (ii) insure that future improvements by owners of

Condominium units do not impede access to the building's major operating elements including utilities infrastructure and connections, elevators, stairways, common areas, the designated Common Elements under the Declaration, and similar major service components.

Seller shall also execute and deliver an owner's affidavit and/or an indemnity and such other documents customarily required by title insurance companies in Tennessee to support the issuance of an owner's title insurance policy in a customary and standard form as approved by the title insurance company selected by Buyer; provided, however, Seller shall not be obligated to procure or deliver a title insurance commitment or title insurance policy.

8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

The obligations of Buyer to consummate the purchase and sale of the Condominium Unit pursuant to this Contract are contingent upon and subject to the satisfaction, as of the 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 the Closing):

(a) Buyer and Buyer's designees, if any, shall have given final approval to the purchase of Unit 304 and the Additional Areas;

(b) The results, substance and form of the survey, title examination, and title opinion shall be acceptable to Buyer in its sole discretion. There shall be no change in the matters reflected in the title opinion, and there shall not exist any liens, encumbrances, title defects or other matters affecting Unit 304 and the Additional Areas not described in such title opinion;

(c) The results of the inspections conducted by Buyer pursuant to **Section 6** shall be acceptable to Buyer in its sole discretion. No material and substantial change shall have occurred with respect to Unit 304 and the Additional Areas which would in any way affect the findings of the inspections conducted pursuant to **Section 6**;

(d) Seller shall not, at or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Seller's part required by the terms of this Contract;

(e) There shall be no change in the matters reflected in the survey;

(f) Zoning of Unit 304 and the Additional Areas use shall not then be in question or subject to challenge or review;

(g) Buyer and Seller shall have received all necessary consents and approvals of federal, state, or local governmental agencies or bodies, regulatory authorities, and other third parties, with respect to the transactions contemplated by this Contract;

(h) There shall have been no material change in the condition of Unit 304 or the Additional Areas from the time of the completion of the physical inspection performed by the Buyer;

(i) There shall be no pending or threatened litigation involving either Buyer or Seller which would materially affect Buyer's or Seller's, as the case may be, ability to consummate the transactions contemplated by this Contract;

(j) The representations and warranties made by Seller in this Contract shall be true and correct in all material respects when made and as of the Closing Date; and

(k) Seller shall have executed and delivered to Buyer at the Closing the documents and items described in **Section 11** and such other documents as may be reasonably requested by Buyer in order to consummate the sale, purchase and transfer of Unit 304 and the Additional Areas as contemplated by this Contract including an amendment to the Declaration, in form and substance acceptable to Buyer and in proper form for recordation with the Register of Deeds for Sullivan County, Tennessee, amending the boundaries of Unit 304 to incorporate Additional Area A and Additional Area B into Unit 304.

If any condition specified in this **Section 8** is not fully satisfied by Closing, Buyer may, at its option, (i) waive such condition and consummate the purchase of Unit 304 and the Additional Areas, or (ii) terminate this Contract by written notice to Seller, and upon such termination all Earnest Money shall be returned to Buyer and the parties shall have no further obligation to each other under this Contract.

9. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents to and warrants for the benefit of Buyer that:

(a) Seller is the sole and lawful owner of Unit 304 and the Additional Areas, has the sole and exclusive right to sell and transfer Unit 304 and the Additional Areas to the Buyer, and shall convey good and marketable title to Unit 304 and the Additional Areas free from all encumbrances except for the covenants and restrictions provided for under the Master Deed, Declaration of the Press Building Condominium dated June 23, 2010, of record in Book 2885C, page 537, Register of Deeds for Sullivan County at Blountville, Tennessee and Bylaws of the Press Building Condominium and Press Building Condominium Association and any other exceptions which are accepted in writing by Buyer;

(b) Seller is a Tennessee general partnership, validly existing and in good standing under the laws of the State of Tennessee, with full power and authority to enter into and perform its obligations under this Contract. This Contract and all documents executed by Seller to be delivered to Buyer in connection herewith have been duly authorized, executed, and delivered, that such documents constitute legal, valid and binding obligations of Seller enforceable in accordance with their respective terms, that such documents are sufficient to convey title to Unit 304 and the Additional Areas and do not violate any provisions of any agreement, judicial order or governmental ruling to which Seller is a party or to which Seller or Unit 304 and the Additional Areas are subject, and that such documents do not violate any applicable local, state or federal law, regulation, rule or ordinance;

(c) All Condominium assessments, charges and expenses applicable to Unit 304 and the Additional Areas have been paid in full as of the execution of this Contract and will be fully paid or otherwise provided for as of the Closing Date;

(d) As of the Closing Date, Unit 304 and the Additional Areas shall be free and clear of all liens, mortgages, charges, encumbrances, security interest, equities, claims or impediments of any nature, and Seller shall indemnify and hold Buyer harmless from and against any and all third party liens or encumbrances arising by or through Seller at any time prior to the Closing Date;

(e) Seller has not received any notice that Unit 304 or the Additional Areas or any fixtures or improvements are in violation of any applicable building code, zoning ordinance, land use or other similar laws;

(f) There is no material claim, action, suit, inquiry, proceeding, or investigation pending or threatened against Seller or Unit 304 or the Additional Areas that in any manner raises any question affecting the validity or enforceability of this Contract or the consummation of the transactions contemplated by this Contract, or that could materially or adversely affect the Buyer's use of the Condominium Unit for purposes consistent with the Declaration as in effect from time to time;

(g) Seller has not received notice of, and to Seller's knowledge there has been no notice of, any, federal, state, county or other governmental order or requirement of any governmental body concerning a condition existing in Unit 304 or the Additional Areas or the Condominium Building which has not yet been remedied to the satisfaction of the governmental authority having jurisdiction;

(h) Seller is not a "foreign person" as defined in the Foreign Investment in Real Property Tax Act, 26 U.S.C. 1445(f)(3), as amended ("FIRPTA"), and Seller agrees to execute and deliver to Buyer certificates to that effect, including Seller's federal tax identification number, at the Closing;

(i) There are no outstanding options or rights of first refusal to purchase Unit 304 or the Additional Areas or any interest therein;

(j) To the best of Seller's knowledge, Seller is in compliance, in all material respects, with the provisions of all laws applicable to Unit 304 and the Additional Areas;

(k) There are no condemnation proceedings pending or, to the best of Seller's knowledge, threatened against Unit 304 or the Additional Areas;

(l) Except for the Declaration and the Condominium Bylaws, Seller is not a party to any agreements, whether oral or written, express or implied, with respect to Unit 304 and the Additional Areas or the maintenance or management of Unit 304 and the Additional Areas;

(m) The Declaration of the Press Building Condominium (the "Declaration") is of record at Book 2885C, page 537 of the Register of Deeds for Sullivan County, Tennessee (the "Register's Office"), as amended by instruments of record as follows: Book 3013, page 1829, Book 3030, page 1100, Book 3033, page 1646, Book 3034, page 1317, Book 3048, page 2399, Book 3132, page 273, Book 3192, page 2153, Book 3196, page 942, Book 3200, Page 1102, Book 3292, Page 176, Book 3309, Page 2295, Book 3315, Page 2049, Book 3320, 1786, and Book 3381, page 1849; and

(n) All of Seller's representations and warranties contained in this **Section 9** shall be true as of the Closing but shall terminate immediately upon completion of Closing; **provided, however**, Seller's representations and warranties in **Section 9(a)** and **Section 9(c)** shall survive Closing.

10. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents to Seller that:

(a) Buyer has full power and authority to enter into and perform its obligations under this Contract and to execute and deliver all documents, agreements, certificates and instruments to be executed by Buyer pursuant to this Contract.

b) This Contract and all documents executed by Buyer in connection herewith have been duly authorized and approved as required under Buyer's charter, ordinances and regulations. Such documents constitute legal, valid and binding obligations of Buyer enforceable in accordance with their respective terms and do not violate any provisions of any agreement, judicial order or governmental ruling to which Buyer is a party, and that such documents do not violate any applicable local, state or federal law, regulation, rule or ordinance to which Buyer is subject.

11. DELIVERIES AT CLOSING

11.1 Deliveries by Seller. Seller shall execute and deliver the following items at Closing:

(a) A Warranty Deed, in form and substance acceptable to Buyer, conveying (i) revised Unit 304 to Buyer, to include existing Unit 304 and Additional Area and Additional Area B, and (ii) Additional Area C;

(b) One or more amendments to the Declaration, in form and substance acceptable to Buyer and in proper form for recordation with the Register of Deeds for Sullivan County, Tennessee, amending the boundaries of Unit 304 to (i) incorporate Additional Area A and Additional Area B into revised Unit 304 and (ii)) make provision for the potential construction of indoor parking on the first floor of the Condominium building, and insure that future improvements by owners of Condominium units do not impede access to the building's major operating elements including utilities infrastructure and connections, elevators, stairways, common areas, the designated Common Elements under the Declaration, and similar major service components.

(c) An owner's affidavit and such other documents customarily required by title insurance companies in Tennessee to support the issuance of an owner's title insurance policy, each in a form prescribed or approved by the title insurance company selected by Buyer and which is sufficient to enable the title company to delete the standard pre-printed exceptions to the title insurance policy to be issued pursuant to the title commitment;

(d) A certification of Seller's non-foreign status pursuant Section 1445 of the Internal Revenue Code of 1986, as amended;

(e) Resolutions and such other organizational documents as Buyer or its lender or title insurance company shall reasonably require evidencing Seller's authority to consummate this transaction; and

(f) A closing statement approved by Buyer and Seller.

11.2 Deliveries by Buyer. Buyer shall execute and deliver the following items at Closing:

(a) The Closing Payment, plus or minus the adjustments or prorations required by this Contract;

(b) Resolutions, consents, and such other documents as Buyer or its lender or title insurance company shall reasonably require evidencing Buyer's authority to consummate the purchase and sale of the Condominium Unit pursuant to this Contract; and

(c) A closing statement approved by Buyer and Seller.

12. EVENTS OF DEFAULT AND REMEDIES

12.1 Default by Buyer. If Buyer defaults in performing any of its obligations under this Contract, Seller shall have the right to terminate this Contract by written notice to Buyer, in which event the Seller shall retain the Earnest Money as liquidated damages, the actual damages being difficult, if not impossible to determine.

12.2 Default by Seller. If Seller defaults in performing any of its obligations under this Contract, or if any of Seller's representations or warranties contained herein are not true in all material respects as of Closing, then Buyer's sole remedy shall be either to (i) terminate this Contract by written notice to Seller and receive a refund of the Earnest Money, in which event neither party shall have any further rights or obligations hereunder, except as expressly provided herein, or (ii) obtain specific performance of Seller's obligation to convey title to Unit 304 and the Additional Areas.

12.3 Post Closing Remedies. If Closing is consummated, then each party shall have all remedies available at law or in equity in the event either fails to perform any of their respective obligations under this Contract which expressly survive Closing.

13. NOTICE

Any notice or demand on either party hereunder shall be deemed to have been given when (i) delivered by hand, (ii) sent by recognized overnight courier service, or (iii) mailed to the other party by Certified Mail, Return Receipt Requested, United States postage prepaid, at or to the addresses set forth below:

Seller: Cayenne Rental Properties, GP
273 Main Street
Piney Flats, Tennessee 37686
Attn: J. Andy Bonner, Jr.

Buyer: The City of Kingsport, for the benefit of its Kingsport City Schools
400 Clinchfield Street
Kingsport, Tennessee 37660
Attn: _____

14. PRORATIONS AND ADJUSTMENTS TO PURCHASE PRICE

14.1. Real Estate Taxes. All real estate and ad valorem taxes, and other such charges constituting a lien or encumbrance on Unit 304 or the Additional Areas (collectively the “Property Taxes”) shall be paid and adjusted as stated in this **Section 14.1**. All Property Taxes for years ending before the Closing Date shall be the responsibility of Seller. Property Taxes for the year 2020 shall be prorated between Seller and Buyer, with Seller being responsible for the portion of such year before the Closing Date and Buyer being responsible for the portion of such year on and after the Closing Date. Property Taxes that relate to a year commencing after the Closing shall be the responsibility of the Buyer. All installments of Property Taxes having a due date before the Closing Date shall be paid by Seller in a timely manner before the Closing Date, and Buyer shall pay all installments of Property Taxes having a due date on or after the Closing Date. At the Closing, the net amount of all Property Tax pro rations computed according to this **Section 14.1**, based upon which party is responsible for such Property Taxes and which party is to pay such Property Taxes, shall be added to or deducted from the Closing Payment. If the amount of any Property Taxes is not fixed and determined as of the Closing, the foregoing Closing adjustment shall be based on the amount thereof as reasonably estimated at Closing, which amount shall be adjusted once the 2020 Property tax information is made available to either Seller or Buyer. The obligations of this **Section 14.1** shall survive Closing.

14.2. Condominium Owner’s Association Fees. All Condominium dues, assessments, costs, expenses and fees owed by Seller with respect to Unit 304 or the Additional Areas (“Condominium Fees”), shall be paid and adjusted as stated in this **Section 14.2**. All Condominium Fees for years ending before the Closing Date, whether or not such fees have been collected by the Condominium Owner’s Association for any particular year or years, shall be the responsibility of Seller. Condominium Fees that relate to calendar year 2020 shall be prorated between Seller and Buyer, with Seller being responsible for the portion of such year before the Closing Date and Buyer being responsible for the portion of such year on and after the Closing Date. Condominium Fees that relate to any calendar year commencing after 2020 shall be the responsibility of the Buyer. All installments of Condominium Fees having a due date before the Closing Date shall be paid by Seller in a timely manner before the Closing Date, and Buyer shall pay all installments of Condominium Fees having a due date on or after the Closing Date. At the Closing, the net amount of all Condominium Fees pro rations computed according to this **Section 14.2**, based upon which party is responsible for such Condominium Fees and which party is to pay such Condominium Fees, shall be added to or deducted from the Closing Payment. If the amount of any Condominium Fees is not fixed and determined as of the Closing, the foregoing Closing adjustment shall

be based on the amount thereof as reasonably estimated at Closing, which amount shall be adjusted once the applicable condominium fee and assessment information for 2020 is made available to either Seller or Buyer. The obligations of this **Section 14.2** shall survive Closing.

15. EXPENSES OF SELLER

Seller shall be responsible for the following expenses:

- (a) The amount of Property Taxes due in respect of Unit 304 or the Additional Areas for years ending before the Closing Date and for the portion of calendar year 2020 before the Closing Date;
- (b) The cost of preparing the Deed;
- (c) The cost of preparing and recording any amendments to the Declaration required to incorporate Additional Areas A and B into revised Unit 304;
- (d) The cost of any surveys and plats required to amend the Declaration to incorporate Additional Areas A and B into revised Unit 304 and confirm the boundaries of Additional Area C; and
- (e) Seller's attorney's fees and any other professional advisory fees contracted by Seller in connection with this Contract.

16. EXPENSES OF BUYER

Buyer shall be responsible for the following expenses:

- (a) The cost of any title examination conducted and any title insurance policy obtained in connection with Unit 304 or the Additional Areas;
- (b) The cost of any inspections of Unit 304 and the Additional Areas;
- (c) The cost of any financing obtained by the Buyer in connection with Buyer's purchase of Unit 304 or the Additional Areas;
- (d) The cost of recording the Deed and any transfer or recordation tax associated with the Deed; and
- (e) Buyer's attorney's fees and any other professional advisory fees contracted by Buyer in connection with this Contract.

17. "AS IS" PURCHASE; RISK OF LOSS

- (a) By executing this Contract, Buyer accepts Unit 304 and the Additional Areas Unit "AS IS" with no warranty of merchantability or fitness for a particular purpose, and Buyer agrees that Seller

shall have no obligation to undertake any repairs, modifications, or restoration to the current physical condition.

(b) The risk of loss or damage to Unit 304 or the Additional Areas by fire or other casualty shall remain with the Seller until Closing. In the event of such loss before Closing which exceeds \$25,000 and materially affects Buyer's ability to improve and use Unit 304 or the Additional Areas as contemplated by Buyer, this Contract shall be voidable at the option of Buyer in its sole and absolute discretion, in which event the parties shall have no further obligation to each other under this Contract. In the event of pre-closing loss or damage, and if Buyer elects to proceed with the purchase of the Condominium Unit following such loss or damage before Closing, Seller shall repair any loss or damage up to the amount of the applicable insurance deductible and/or provide to Buyer monies up to the applicable deductible amount required for repairs and, in the event the damage or loss exceeds the deductible amount, Seller shall assign the proceeds of any insurance or casualty policy applicable to such loss and/or damage and shall diligently work with the insurer(s) to obtain all available insurance funds for such loss and/or damage and provide such funds to Buyer upon receipt. If legal action is necessary to recover under any insurance or casualty policy, Seller shall act in good faith to bring such action.

18. BROKERS

Each party represents to the other that it has not retained or used the services of a broker or agent in connection with the transaction contemplated by this Contract. To the extent permitted by

Tennessee law, each party agrees to indemnify and hold the other harmless from any claims of brokers or agents for fees or commissions arising out this Contract.

19. TIME IS OF THE ESSENCE

Time is of the essence to the performance of this Contract.

20. COMPLETE AGREEMENT; AMENDMENT

This Contract contains the full and complete agreement between the parties with respect to the purchase and sale of Unit 304 and the Additional Areas and there are no other agreements, express or implied, which are not stated herein. All understandings and agreements heretofore expressed between the parties with regard to the purchase and sale of Unit 304 and the Additional Areas are hereby merged into this Contract. The parties have entered into this Contract after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, or representations not embodied in this Contract. This Contract may not be amended or modified, except by a writing signed by both parties hereto.

21. POSSESSION

Delivery of possession of Unit 304 and the Additional Areas to Buyer shall occur at Closing.

22. BINDING EFFECT

This Contract shall be binding upon and inure to the benefit of Seller and Buyer and their respective heirs, legal representatives, successors and assigns.

23. GOVERNING LAW

The laws of the State of Tennessee shall govern this Contract, and venue for any dispute hereunder shall lie in the Tennessee state courts in Sullivan County, Tennessee.

24. SURVIVAL OF CONTRACT

Except for the provisions of Section 9(a), Section 9(c), and Section 17(a), the provisions of this Contract shall not survive Closing and shall be deemed to be merged into the Deed delivered by Seller at Closing.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Contract by and through their respective duly authorized officers as of the date first written above.

SELLER:

CAYENNE RENTAL PROPERTIES, GP

By: _____
Name: _____
Title: _____

BUYER:

**THE CITY OF KINGSPORT for the use and
benefit of its Kingsport City Schools**

By: _____
Name: _____
Title: _____

EXHIBIT A
Additional Area A

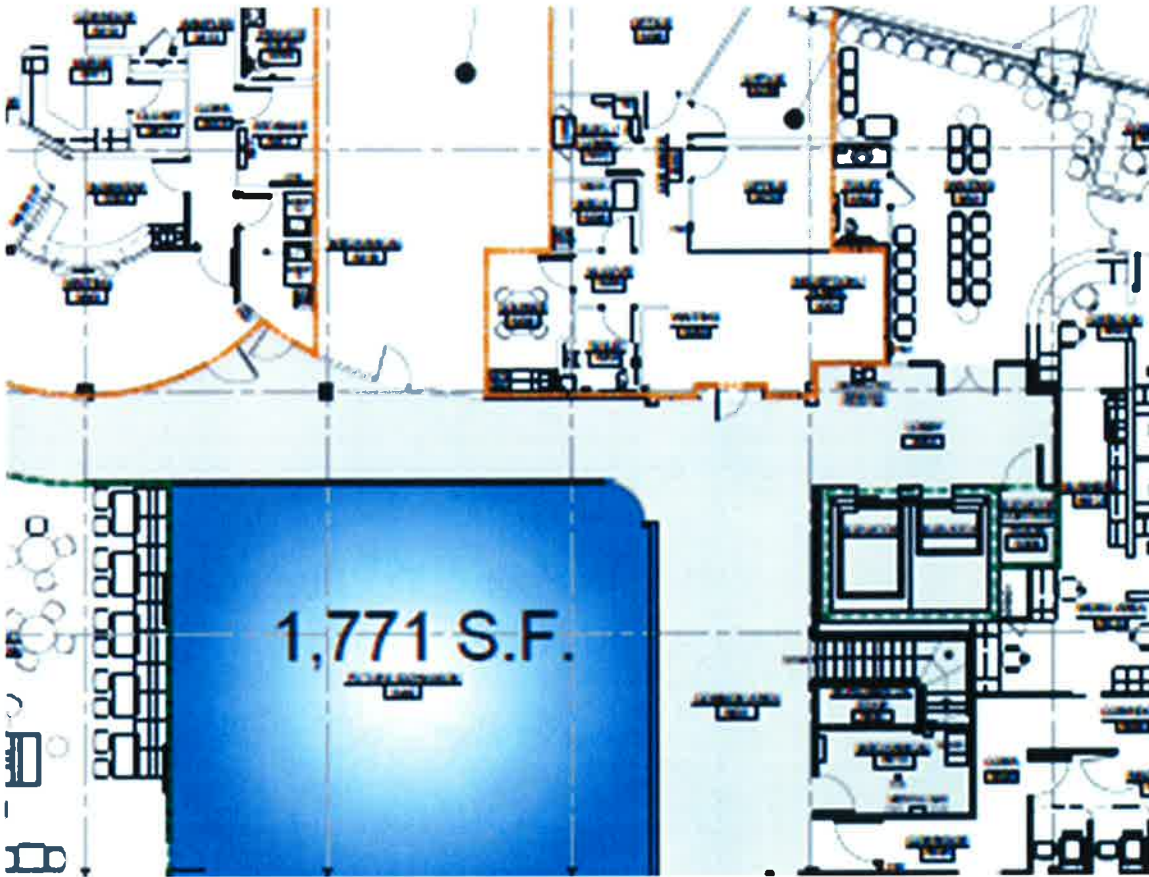


EXHIBIT B
Additional Area B

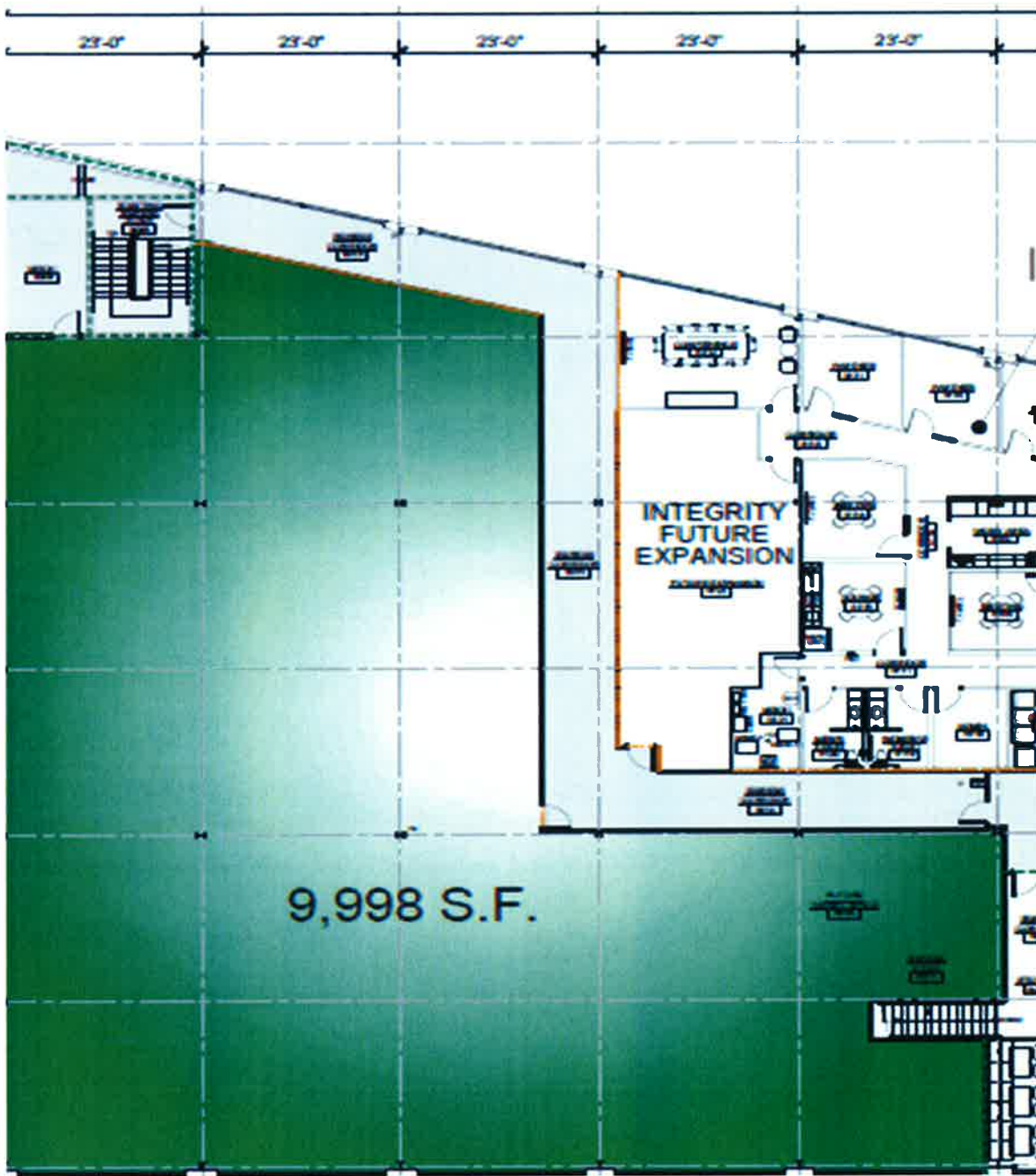


EXHIBIT C

Parcel No. 1

BEGINNING at a 1/2 inch diameter metal rod found in a concrete sidewalk along Roller Street, corner to property of Kingsport Press, Inc. (Deed Book 330A, page

230) North 44° 37' 54" East, a distance of 50.38 feet to a 1/2 inch diameter metal rod found, corner to property of Edward M. Compton and Carolyn B. Compton (Deed Book 1301C, page 402); thence with the line of Campton, South 46° 45' 08" East, a distance of 126.27 feet to a metal post found, corner to property of Kingsport Press, Inc. (Deed Book 330A, page 230); thence with the line of Kingsport Press, Inc., South 44° 53' 53" West, a distance of 50.67 feet to a metal post found; thence North 46° 37' 18" West, a distance of 126.03 feet to the POINT OF BEGINNING, containing 0.15 acre, more or less, according to plat of survey prepared by Glenn Allen Shelnett, TN RLS No. 1542, dated August 29, 2002, and being Lot 4, Block 34, City of Kingsport, as shown on plat of record in the Office of the Register of Deeds for Sullivan County, Tennessee in Plat Book 5, page 179.

BEING the same property conveyed to Cayenne Rental Partners, GP, by Deed dated May 17, 2016, of record in Book 3200, page 1115, Register's Office of Sullivan County, Tennessee.

Tax ID: 46H; Group K; Parcel 003.00

Parcel No. 2

BEING Lot 5, Block 34, City of Kingsport, as shown on plat of record in the Office of the Register of Deeds for Sullivan County, Tennessee, in Plat Book 5, page 179.

BEING the same property conveyed to Cayenne Rental Partners, GP, by Deed dated May 17, 2016, of record in Book 3200, page 1117, Register's Office of Sullivan County, Tennessee.

Tax ID: Map 046H; Group K; Parcel 004.00

This Instrument Prepared By:
HUNTER, SMITH & DAVIS, LLP
Attorneys at Law, Post Office Box 3740, Kingsport, Tennessee 37664

TERMINATION OF LEASE AGREEMENT

THIS TERMINATION OF LEASE AGREEMENT, dated _____, 2020, is made by **THE PRESS GROUP, LLC**, a Tennessee limited liability company, and its successor in title, **CAYENNE RENTAL PROPERETIES, GP**, a Tennessee general partnership (collectively referred to herein as “Grantor”) and **THE CITY OF KINGSPORT for the use and benefit of its Kingsport City Schools** (the City”).

RECITALS:

- A. Grantor and City have heretofore entered into a Lease Agreement dated May 17, 2016 (the “Lease Agreement”), which provides for City’s right to lease certain office condominium space located in the Press Building Condominiums, 444 Clinchfield Street, Kingsport, Sullivan County, Tennessee, as more particularly described in said Option Agreement.
- B. Pursuant to Real Estate Purchase and Sale Agreement dated _____, 2020 (the “Purchase Agreement”), the City is purchasing the property leased under the Lease Agreement and the parties have agreed to terminate the Lease Agreement simultaneously with the closing of the Purchase Agreement.

NOW, THEREFORE, Grantor and City do hereby terminate the Lease Agreement, effective as of _____, 2020. The City hereby surrenders, releases and discharges all rights provided to the City under the Lease Agreement including any rights of first refusal and purchase options provided under Lease Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this instrument by and through their respective duly authorized representatives as of the date first written hereinabove.

THE PRESS GROUP, LLC

By: _____
Name: _____
Title: _____

CAYENNE RENTAL PROPERTIES, GP

By: _____
Name: _____
Title: _____

THE CITY OF KINGSPORT for the use and benefit of its Kingsport City Schools

By: _____
Name: _____
Title: _____

This Instrument Prepared By:
HUNTER, SMITH & DAVIS, LLP
Attorneys at Law, Post Office Box 3740, Kingsport, Tennessee 37664

**TERMINATION OF RIGHT OF FIRST REFUSAL AND
PURCHASE OPTION AGREEMENT**

THIS TERMINATION OF RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT, dated _____, 2020, is made by **THE PRESS GROUP, LLC**, a Tennessee limited liability company, and its successor in title, **CAYENNE RENTAL PROPERETIES, GP**, a Tennessee general partnership (collectively referred to herein as “Grantor”) and **THE CITY OF KINGSFORT for the use and benefit of its Kingsport City Schools** (the City”).

RECITALS:

- A. Grantor and City have heretofore entered into a Right of First Refusal and Purchase Option Agreement dated May 17, 2016 (the “Option Agreement”), which provides for City’s right to purchase certain office condominium space located in the Press Building Condominiums, 444 Clinchfield Street, Kingsport, Sullivan County, Tennessee, as more particularly described in said Option Agreement.
- B. The Option Agreement was entered into simultaneously with a Lease Agreement dated May 17, 2016 between The Press Group, LLC, as lessor, and the City, as lessee (the “Lease Agreement”).
- C. Pursuant to Real Estate Purchase and Sale Agreement dated _____, 2020 (the “Purchase Agreement”), the City is purchasing the property leased under the Lease Agreement and the parties have agreed to terminate the Option Agreement simultaneously with the closing of the Purchase Agreement.

NOW, THEREFORE, Grantor and City do hereby terminate the Option Agreement, effective as of _____, 2020. The City hereby surrenders, releases and discharges all rights provided to the City under the Option Agreement including any right of first refusal to lease or purchase provided under the Option Agreement.

IN WITNESS WHEREOF, the parties have executed this instrument by and through their duly authorized corporate representatives as of the date first written hereinabove.

THE PRESS GROUP, LLC

By: _____
Name: _____
Title: _____

CAYENNE RENTAL PROPERTIES, GP

By: _____
Name: _____
Title: _____

THE CITY OF KINGSPORT for the use and benefit of its Kingsport City Schools

By: _____
Name: _____
Title: _____

This Instrument Was Prepared By:
HUNTER, SMITH & DAVIS, LLP
Attorneys at Law, P.O. Box 3740, Kingsport, Tennessee 37664

WARRANTY DEED

THIS DEED, made and entered into as of _____, 2020, by and between **CAYENNE RENTAL PARTNERS, GP**, a Tennessee general partnership, party of the first part, and the **CITY OF KINGSFORT, TENNESSEE**, a municipal corporation of the State of Tennessee, party of the second part;

WITNESSETH:

THAT FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00), cash in hand paid, receipt of which is hereby acknowledged, and other good and valuable consideration, the party of the first part has bargained and sold and does hereby grant, transfer and convey unto the party of the second part, its successors and assigns, with covenants of general warranty of title, the following described property located in the City of Kingsport, 11th Civil District of Sullivan County, Tennessee:

Parcel No. 1

BEING all of Revised Unit 304 of the Press Building Condominiums, as described in plat of record in Book _____, page _____, Register's Office for Sullivan County, Tennessee, together with the appurtenant percentage of undivided interest in the common elements all of which are set forth in the Declaration of The Press Building Condominium of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Book 2885C, page 537, as amended.

AND BEING part of the same property conveyed to Cayenne Rental Partners, GP by Deed dated December 19, 2017, of record in Book 3271, page 535, said Register's Office.

Property Assessors Map No. Part of CTL 046H, Group No. K; Parcel No. _____

Parcel No. 2

BEGINNING at a 1/2 inch diameter metal rod found in a concrete sidewalk along Roller Street, comer to property of Kingsport Press, Inc. (Deed Book 330A, page 230) North 44° 37' 54" East, a distance of 50.38 feet to a 1/2 inch diameter metal rod found, comer to property of Edward M. Compton and Carolyn B. Compton (Deed Book 1301C, page 402); thence with the line of Campton, South 46° 45' 08" East, a distance of 126.27 feet to a metal post found, comer to property of Kingsport Press, Inc. (Deed Book 330A, page 230);

thence with the line of Kingsport Press, Inc., South 44° 53' 53" West, a distance of 50.67 feet to a metal post found; thence North 46° 37' 18" West, a distance of 126.03 feet to the POINT OF BEGINNING, containing 0.15 acre, more or less, according to plat of survey prepared by Glenn Allen Shelnutt, TN RLS No. 1542, dated August 29, 2002, and being Lot 4, Block 34, City of Kingsport, as shown on plat of record in the Office of the Register of Deeds for Sullivan County, Tennessee in Plat Book 5, page 179.

BEING the same property conveyed to Cayenne Rental Partners, GP, by Deed dated May 17, 2016, of record in Book 3200, page 1115, Register's Office of Sullivan County, Tennessee.

Tax ID: 46H; Group K; Parcel 003.00

Parcel No. 3

BEING Lot 5, Block 34, City of Kingsport, as shown on plat of record in the Office of the Register of Deeds for Sullivan County, Tennessee, in Plat Book 5, page 179.

BEING the same property conveyed to Cayenne Rental Partners, GP, by Deed dated May 17, 2016, of record in Book 3200, page 1117, Register's Office of Sullivan County, Tennessee.

Tax ID: Map 046H; Group K; Parcel 004.00

[NOTE: Cayenne will have an updated survey of the parking areas prepared in order to confirm the boundaries of the parking area]

TO HAVE AND TO HOLD together with all rights, interests, and appurtenances appertaining thereto unto the party of the second part, its successors and assigns, forever.

This conveyance is expressly made subject to the Declaration of The Press Building Condominium of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Book 2885C, page 537, as amended by instruments of record in Book 3013, page 1829, Book 3030, page 1100, Book 3033, page 1646, Book 3034, page 1317, Book 3048, page 2399, Book 3132, page 273, Book 3192, page 2153, Book 3196, page 942, Book 3200, Page 1102, Book 3292, Page 176, Book 3309, Page 2295, Book 3315, Page 2049, Book 3320, 1786, Book 3381, page 1849, and Book ____, page ____, Register's Office for Sullivan County, Tennessee, and all reservations, restrictions, easements, covenants and conditions contained in former instruments of record pertaining thereto and to all easements and encroachments apparent from an inspection of the property.

The party of the first part, for itself, its successors and assigns, covenants that it is lawfully seized and possessed of the property hereby conveyed; that it has a good and lawful right to convey the same; that said property is free and clear of any lien or encumbrance, except as herein stated; that it will execute such further assurances of title as may be reasonably required, and that it will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever.

WITNESS the following signature on this the day and year first above written.

CAYENNE RENTAL PARTNERS, GP

By: _____
Milton Hiram Rash
Assistant Managing Member

**STATE OF TENNESSEE
COUNTY OF SULLIVAN**

Before me, _____, a Notary Public in and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _____ of Cayenne Rental Partners, GP, the within named bargainor, a Tennessee general partnership, and that he, as such _____, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as _____.

Witness my hand and official seal this the _____ day of _____, 2020.

Notary Public

My commission expires:

**STATE OF TENNESSEE
COUNTY OF SULLIVAN**

The undersigned affiant being first duly sworn, makes oath that the actual consideration for the foregoing transfer, or the value of the property hereinbefore described, whichever is greater, is \$_____.

Affiant

SWORN TO AND SUBSCRIBED before me, this _____ day of _____, 2020.

Notary Public

My commission expires:

NAME AND ADDRESS OF PROPERTY OWNER:

City of Kingsport, Tennessee
400 Clinchfield Street
Kingsport, Tennessee 37660

**NAME AND ADDRESS OF THE PERSON OR
ENTITY RESPONSIBLE FOR THE PAYMENT
OF THE REAL PROPERTY TAX:**

Same as Property Owner



To: Board of Education
Dr. Moorhouse, Superintendent

From: David J. Frye, Chief Finance Officer

Date: September 24, 2020

RE: Press Building Property Purchase

Cayenne Rental Properties, GP approached us a few weeks ago with a proposal to purchase the remaining space in the Press Building. This is the same group that we currently have a lease agreement with for the space that DB Excel uses. The proposal also included buying out the current lease. While we do not see a need for all of the remaining space, we would like the Board to consider purchasing some of the space on the third floor as well as buying out the current lease.

Attached is a drawing of the third floor. The areas in white on this drawing are areas that are currently occupied by DB Excel and private businesses. The three color-coded areas are unoccupied. The areas that we are proposing to purchase are the green and blue areas.

The blue area is partially finished and consist of 1,771 sq. ft. The property owners are currently allowing KCS to use this area for storage. It currently has direct access from DB Excel. This area could be used for the expansion of DB Excel, possibly for lab space. This space has been offered to us for \$87.18 per sq. ft., for a total of \$154,390.

The green area is unfinished space that consist of 9,998 sq. ft. The west side of this area overlooks Roller St. This area could be used for future expansion of DB Excel as well as other uses. This space has been offered to us for \$30.00 per sq. ft., for a total of \$300,000.

Although there is not a purchase option in the current lease agreement at this time, there is a proposal for us to pay off the lease for \$1,523,000. By my calculations that is roughly the current principal balance on the lease.

The total purchase price for the additional 11,769 sq. ft. of space and the lease is \$1,977,390. A copy of the purchase agreement is attached. If it is agreed to approve the

purchase agreement, there are two additional agreements that would also need approval. These are the Termination of Lease Agreement and the Termination of Right of First Refusal and Purchase Option Agreement.

Funding:

I have been working with the City Recorder, Sid Cox on funding for this proposal. The City of Kingsport is not planning to issue additional bond debt for at least another year. However, there is the option to issue capital outlay notes. These notes would have a twelve-year term and could be paid off when the City issues additional bonds. Preliminary indications are that these notes could possibly have an interest rate of 2% or less. By my calculations the interest rate on the current lease is slightly less than 4%. We are currently paying \$14,250 per month or \$171,000 annually for the current lease. There is eleven years remaining on the current lease.

The following is a future scenario, based on several assumptions:

1. November 2020 – City of Kingsport issues capital outlay notes for \$2,000,000. These notes would have a 12 year term and an estimated interest rate of 2.00%. An interest only payment would be due in 6 months, in the amount of \$20,000.
2. At June 30, 2021, there would be a FY 2021 budget balance of \$79,750. These funds would be reserved for FY 2022 payments.
3. The budget would need to remain at the current level of \$171,000. There would be a note payment due in November 2021 of \$186,667. This includes interest of \$20,000 and principal of \$166,667.
4. November 2021 – It is assumed that the City of Kingsport issues bonds, for \$1,850,000 and the proceeds are used to pay off the capital outlay notes. It is assumed that the bonds would then have a 12 year term, an estimated average interest rate of 1.75%, and estimated equal semi-annual payments of \$85,516.
5. A bond payment would be due in May 2022 of \$85,516. The total payments due in FY 2022 would be \$272,183. The amount available would consist of the FY 22 budget of \$171,000, the reserve of \$79,750, and remaining note funds of \$22,610. This is a total of \$273,360.
6. The budget in FY 2023 and beyond, until the bonds are paid, would need to remain at \$171,000.
7. The final payment on the bonds would be made in November 2033.

Recommendation:

It is recommended that the Board of Education approve the following.

1. Real Estate Purchase and Sale Contract
2. Termination of Right of First Refusal and Purchase Option Agreement
3. Termination of Lease Agreement
4. A request to the City of Kingsport, Board of Mayor and Aldermen to issue 12 year capital outlay notes for \$2,000,000 to fund the purchase agreement. The payments for these notes would come from future School Fund budgets.



EXCEL

Excellence in a Creative Environment for Learning

Mission: To Provide an Innovative Approach to Personalized Learning



www.db-excel.com

Campus

- Environment
- Technology
- Teachers
- Students
- Program

KCS District Goal:
Will provide committed and innovative educators.

Culture

- Mentorships
- Counseling
- Student Council
- Extra-Curricular
- Clubs

KCS District Goal:
Will furnish safe, appropriate, and well-maintained facilities that support teaching and learning.

Through an engaging curriculum and an innovative, supportive culture students will excel in this student-focused, world-class environment.

A combination of virtual and blended learning will provide students the personalized, academic learning environment that encourages and empowers students to focus on their goals.

Virtual classes allow students more options in their learning path and provide students the versatility to work at a personalized pace.
Blended learning allows students to experience a more practical, hands-on approach to learning and an opportunity to build meaningful connections with teachers, students, the community and the region.



Video

Content

- Curriculum
- Full-time Virtual
- Part-time Virtual
- Blended Learning

KCS District Goal:
To deliver world-class curriculum and instruction.

Community

- Internships
- Partnerships
- Work Opportunities

KCS District Goal:
Will engage families and the community.



*It's time to **EX**pend learning opportunities, **EX**plore innovative thinking and **EX**perience the real world.
DB-EXCEL offers curriculum to inspire, a culture that is empowering and learning applications that are real.*





Original Lease Agreement (2016)

- 16,596 sq. ft.
- Lease Term = 15 years
- Lease Amount = \$171,000/yr.
- Option to Purchase:

Lease Year	Purchase Price
1	\$ 1,781,200
2	\$ 1,693,300
5	\$ 1,403,000
10	\$ 785.300
15	\$ - 0 -

→ CAMPUS

Flexible Scheduling
Innovative Environment
MakerSpace
Early Post Secondary Opportunities

CONTENT ←

Personalized Learning
Blended Learning
Project-Based Learning
Cross-Curricular Connections

D-B EXCEL

Excellence in a Creative Environment for Learning

Providing an Innovative Approach to Personalized Learning

→ CULTURE

Student Leadership Team
Student & Teacher Mentorships
Parent Advisory Committee
Extra Curriculars

COMMUNITY ←

Work-Based Learning
Internships
STEM Professionals
Service Learning



TENNESSEE STEM SCHOOL DESIGNATION



LEGEND

1. ALL NEW CONSTRUCTION SHALL BE SHOWN IN GREEN.
2. ALL EXISTING CONSTRUCTION SHALL BE SHOWN IN BLUE.
3. ALL REMOVED CONSTRUCTION SHALL BE SHOWN IN RED.
4. ALL EXISTING CONSTRUCTION TO REMAIN SHALL BE SHOWN IN WHITE.

ROOM NUMBERS

3000A	THIRD FLOOR COMMON / FUTURE AREA
3100A	INTEGRITY CAPITAL
3200A	EDWARD JONES
3300A	DR. SMITH DDS
3400A	DB EXCEL
3500A	ASSOCIATED ORAL AND IMPLANT SURGERIES

THIRD FLOOR AREA

COMMON AREAS	SUITE 301	9,181 S.F.
EDWARD JONES	SUITE 302	7,254 S.F.
INTEGRITY CAPITAL	SUITE 303	4,354 S.F.
DR. SMITH DDS	SUITE 304	3,180 S.F.
DB EXCEL	SUITE 305	15,427 S.F.
ASSOCIATED ORAL AND IMPLANT SURGERIES	SUITE 306	7,258 S.F.
UNOCCUPIED SPACE		30,869 S.F.
TOTAL FLOOR AREA		88,003 S.F.

CURRENT SECOND FLOOR KEY PLAN

SCALE: 1/8" = 1'-0" (SEE CIVIL & FIELD) (PAGE 7) (3000 S.F.) (227'-0")

CURRENT THIRD FLOOR KEY PLAN

SCALE: 1/8" = 1'-0" (SEE CIVIL & FIELD) (PAGE 8) (1,127'-0")

Additional and Alterations For

The Press Building
Kingsport, Tennessee

Cain Rash West
Architects

120 Regal Park Dr.
Kingsport, TN 37660
Ph: (423) 348-7760
Fax: (423) 348-7412
www.cainrashwest.com

AS-BUILT
2/13/2020
NOT FOR CONSTRUCTION

3RD FLOOR KEY PLAN

A-03



AGENDA ACTION FORM

Authorizing Qualified Tax-Exempt General Obligation School Capital Outlay Notes, Series 2020

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

Action Form No.: AF-247-2020
Work Session: October 5, 2020
First Reading: N/A

Final Adoption: October 6, 2020
Staff Work By: Sid Cox
Presentation By: Chris McCartt / Sid Cox

Recommendation:

Approve the Resolution.

Executive Summary:

At their called meeting on Thursday, September 24, 2020, the Kingsport Board of Education approved certain agreements to purchase certain property and improvements, located in the Press Building on Clinchfield Street, for use in the School System's Excel Program. Most of the space is currently being leased on a monthly payment basis and some additional space has been offered for sale.

The City currently has an opportunity to purchase the property and take advantage of favorable interest rates found in the local banking community, which are lower than the current interest rate on the lease. City Staff proposes the issuance, sale and payment of \$2.0 million in tax-exempt General Obligation School Capital Outlay Notes, Series 2020, in order to finance the purchase. Re-payment of the debt associated with the Notes, will be made from budgeted funds in the General Purpose School Fund.

Attachments:

1. Resolution
2. Capital Outlay Notes Forms & Bids
3. Memo from School Finance Director

Funding source appropriate and funds are available: _____

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: _____

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

RESOLUTION NO. _____

**RESOLUTION OF THE GOVERNING BODY OF
THE CITY OF KINGSPORT, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT
OF
GENERAL OBLIGATION SCHOOL CAPITAL OUTLAY NOTES, SERIES 2020
NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000.00), PURSUANT TO
THE INFORMAL BID PROCESS**

WHEREAS, the Governing Body of the City of Kingsport, Tennessee, (the "Local Government") has determined that it is necessary and desirable to issue capital outlay notes in order to provide funds for the following school project: Kingsport City Schools Press Building Space Purchase (the "Project") at a cost of \$1,977,390 with an economic life of thirty (30) years; and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

WHEREAS, under the provisions of Parts I, IV and VI of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of this Project through the issuance and sale of interest-bearing capital outlay notes upon the approval of the Comptroller of the Treasury or Comptroller's Designee; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of capital outlay notes to finance the cost of the Project;

NOW THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Kingsport, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Financial Officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the Comptroller of the Treasury or Comptroller's Designee, to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed Two Million Dollars (\$2,000,000.00) (the "Notes") by an informal bid process pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated, General Obligation School Capital Outlay Notes, Series 2020; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed four per cent (4.00%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Notes shall mature twelve (12) fiscal years after the fiscal year of issuance and, unless otherwise approved by the Comptroller of the Treasury or Comptroller's Designee, the Notes shall be amortized in an amount reflecting at least level debt service on the Notes approximately according to the following schedule:

<u>FISCAL</u> <u>YEAR</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
2021	\$ <u>166,667</u>
2022	<u>166,667</u>
2023	<u>166,667</u>
2024	<u>166,667</u>
2025	<u>166,667</u>
2026	<u>166,667</u>
2027	<u>166,667</u>
2028	<u>166,667</u>
2029	<u>166,667</u>
2030	<u>166,667</u>
2031	<u>166,667</u>
2032	<u>166,663</u>
	\$ <u>2,000,000</u>

The final maturity of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby estimated to be thirty (30) years which at least equal to or greater than the life of the notes.

Section 3. That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount.

Section 4. That, the Notes shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the notes, the full faith and credit of the Local Government is irrevocably pledged and the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Notes. The Governing Body of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

Section 5. That, the Notes shall be executed in the name of the Local Government; shall bear the manual signature of the Mayor of the Local Government and the manual signature of the City Recorder together with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the city recorder or at the office of the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the official designated by law as custodian of the funds. All proceeds shall be paid out for financing the Project pursuant to this Resolution and as required by law.

Section 6. That, the Notes will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration,

exchange or transfer of the Notes. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instrument or transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Notes. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That, the Notes shall be in substantially the form authorized by the Comptroller of the Treasury or Comptroller's Designee and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated which is attached to this resolution as attachment 1.

Section 8. That, prior to the sale of the Notes, the Local Government shall submit a copy of this resolution authorizing the Notes to the Comptroller of the Treasury or Comptroller's Designee for approval and a copy of the proposed disclosure statement, if any, and a statement showing the estimated annual principal and interest requirements for the Notes and a detailed statement showing the estimated cost of issuance which shall include at least the following, if applicable: (1) fiscal agent and/or financial advisor fees; (2) bond counsel fees; (3) other legal charges if any; (4) credit enhancement fees; (5) trustee fees; (6) registration fees; (7) paying agent fees; (8) rating agency fees; (9) underwriters' discount or charges; (10) remarketing agent fees; (11) printing, advertising and other expenses; (12) the number of financial institutions contacted by telephone or by letter (which should be at least three) for the purpose of obtaining interest rates, and at least three institutions were contacted.

In its request for approval, the Local Government shall state and demonstrate that the proposed sale by the informal bid process is feasible, in the best interest of the Local Government, and that the Local Government should be able to amortize the proposed indebtedness together with all the obligations then outstanding.

Section 9. The Notes shall not be sold until receipt of the Comptroller of the Treasury or Comptroller's Designee's written approval for the sale of the Notes.

Section 10. That the Notes may be designated as qualified tax-exempt obligations for the purpose of Section 265(b) (3) of the Internal Revenue Code of 1986.

Section 11. That, after the sale of the Notes, and for each year that any of the notes are outstanding, the Local Government shall prepare an annual budget and budget ordinance in a form consistent with accepted governmental standards and as approved by the Comptroller of the Treasury or Comptroller's Designee. The budget shall be kept balanced during the life of the notes and shall appropriate sufficient monies to pay all

annual debt service. The annual budget and ordinance shall be submitted to the Comptroller of the Treasury or Comptroller's Designee immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the "Statutes".) If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Comptroller of the Treasury or Comptroller's Designee.

Section 12. That, if any of the Notes shall remain unpaid at the end of twelve (12) years from the issue date, then the unpaid Notes shall be retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approval by the Comptroller of the Treasury or Comptroller's Designee.

Section 13. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists; and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Attachment 1
CAPITAL OUTLAY NOTE FORM

Registered
Note #: _____

Of the
State of Tennessee
Capital Outlay Note, Series 20_____

Registered
\$ _____

DATED

INTEREST RATE

MATURITY DATE

_____, 20____

_____ %

_____, 20____

Registered Owner: _____

Principal Sum: \$ _____

The Board of Mayor and Aldermen (Governing Body) of City of Kingsport, Tennessee (the Local Government) hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum specified above on the Maturity Date specified above or according to an amortization schedule attached hereto (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay interest on the Principal Sum on _____ and thereafter on _____ of each year at the Interest Rate per annum specified above or according to an amortization schedule attached hereto, by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month next preceding the applicable payment date in the note register maintained by or on behalf of the Local Government. Both principal of and interest on this note are payable at the office of the City Recorder of the Local Government or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is a direct obligation of the Local Government for the payment of which as to both principal and interest the full faith and credit of the Local Government is pledged.

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption with a premium of _____ % of par value.

This note is issued under the authority of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Governing Body of the

Local Government meeting in session on the 15th day of September, 2020 (the "Resolution") to provide funds to finance the cost of the schools project referenced in the Resolution.

This note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the Registered Owner of the note in person or by the Registered Owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent of the note together with a written instrument of transfer satisfactory to the Local Government duly executed by the Registered Owner or the Registered Owner's duly authorized attorney but only in the manner as provided in the Resolution of the Local Government authorizing the issuance of this note and upon surrender hereof for cancellation. Upon the transfer of any such note, the Local Government or its agent shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered note. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the Mayor, and countersigned and attested by the manual signature of the City Recorder with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the ____ day of _____ 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SEAL

SIDNEY H. COX, CITY RECORDER

ASSIGNMENT

Note No. R-_____.

Amount: \$_____.

For value received, the undersigned hereby sells, assigns and transfers unto

(Name and address of assignee)

(Please indicate social security or other tax identifying number of assignee)

The within-mentioned note and hereby irrevocably constitutes and appoints _____, attorney-in-fact, to transfer the same on the note register in the office of the _____ or the agent of the Local Government with full power of substitution in the premises.

Date: _____

Assignor:

Address:

Signature Guaranteed by: _____

NOTE: The signature as to this assignment must correspond with the name as written on the face of the within note in every particular, without alteration, enlargement or any change whatsoever.

INFORMAL BID ATTACHMENT FOR \$ 2,000,000
GENERAL OBLIGATION SCHOOL
CAPITAL OUTLAY NOTES, SERIES 2020
INFORMAL BIDS

As required by Title 9, Chapter 21, Part 609, Tennessee Code Annotated, this information is being submitted to the Comptroller of the Treasury or Comptroller's Designee to request approval to issue these notes by the informal bid process:

1. The informal bid process is feasible.
2. The informal bid process is in the best interest of the Local Government.
3. The Local Government will be able to amortize these notes together with all other outstanding obligations.
4. Interest rate proposals have been obtained in writing from the following financial institutions (at least three):

FINANCIAL INSTITUTION	INTEREST RATE
1. Regions Bank	1.98%
2. First Horizon	1.99%
3. Powell Valley National Bank	2.24%
4. Bank of Tennessee	2.44%
5. Citizens Bank	2.59%
6. First Community Bank	2.75%

7. _____ There are no issuance costs associated with the sale of these notes.

8. There are issuance costs, and they are itemized as follows:

	Lender 1	Lender 2	Lender 3	Lender 4	Lender 5	Lender 6
Financial Advisor fees						
Legal Counsel fees						
Credit enhancement fees						
Registration fees						
Paying Agent fees						
Rating Agency fees						
Underwriter's fees						
Remarketing Agent fees						
Printing and advertising						
Other expenses	\$2,500	\$0	\$0	\$0	\$500	\$2,000
Total Cost of Issuance	\$2,500	\$0	\$0	\$0	\$500	\$2,000

Attached is the support to show that the informal bid process is feasible, how it is in the best interest of the local government, a before and after debt portfolio to show it can be amortized with all other outstanding obligations.



Signed: _____
Sidney H. Cox
City Recorder / CFO



To: Board of Education
Dr. Moorhouse, Superintendent

From: David J. Frye, Chief Finance Officer

Date: September 24, 2020

RE: Press Building Property Purchase

Cayenne Rental Properties, GP approached us a few weeks ago with a proposal to purchase the remaining space in the Press Building. This is the same group that we currently have a lease agreement with for the space that DB Excel uses. The proposal also included buying out the current lease. While we do not see a need for all of the remaining space, we would like the Board to consider purchasing some of the space on the third floor as well as buying out the current lease.

Attached is a drawing of the third floor. The areas in white on this drawing are areas that are currently occupied by DB Excel and private businesses. The three color-coded areas are unoccupied. The areas that we are proposing to purchase are the green and blue areas.

The blue area is partially finished and consist of 1,771 sq. ft. The property owners are currently allowing KCS to use this area for storage. It currently has direct access from DB Excel. This area could be used for the expansion of DB Excel, possibly for lab space. This space has been offered to us for \$87.18 per sq. ft., for a total of \$154,390.

The green area is unfinished space that consist of 9,998 sq. ft. The west side of this area overlooks Roller St. This area could be used for future expansion of DB Excel as well as other uses. This space has been offered to us for \$30.00 per sq. ft., for a total of \$300,000.

Although there is not a purchase option in the current lease agreement at this time, there is a proposal for us to pay off the lease for \$1,523,000. By my calculations that is roughly the current principal balance on the lease.

The total purchase price for the additional 11,769 sq. ft. of space and the lease is \$1,977,390. A copy of the purchase agreement is attached. If it is agreed to approve the

purchase agreement, there are two additional agreements that would also need approval. These are the Termination of Lease Agreement and the Termination of Right of First Refusal and Purchase Option Agreement.

Funding:

I have been working with the City Recorder, Sid Cox on funding for this proposal. The City of Kingsport is not planning to issue additional bond debt for at least another year. However, there is the option to issue capital outlay notes. These notes would have a twelve-year term and could be paid off when the City issues additional bonds. Preliminary indications are that these notes could possibly have an interest rate of 2% or less. By my calculations the interest rate on the current lease is slightly less than 4%. We are currently paying \$14,250 per month or \$171,000 annually for the current lease. There is eleven years remaining on the current lease.

The following is a future scenario, based on several assumptions:

1. November 2020 – City of Kingsport issues capital outlay notes for \$2,000,000. These notes would have a 12 year term and an estimated interest rate of 2.00%. An interest only payment would be due in 6 months, in the amount of \$20,000.
2. At June 30, 2021, there would be a FY 2021 budget balance of \$79,750. These funds would be reserved for FY 2022 payments.
3. The budget would need to remain at the current level of \$171,000. There would be a note payment due in November 2021 of \$186,667. This includes interest of \$20,000 and principal of \$166,667.
4. November 2021 – It is assumed that the City of Kingsport issues bonds, for \$1,850,000 and the proceeds are used to pay off the capital outlay notes. It is assumed that the bonds would then have a 12 year term, an estimated average interest rate of 1.75%, and estimated equal semi-annual payments of \$85,516.
5. A bond payment would be due in May 2022 of \$85,516. The total payments due in FY 2022 would be \$272,183. The amount available would consist of the FY 22 budget of \$171,000, the reserve of \$79,750, and remaining note funds of \$22,610. This is a total of \$273,360.
6. The budget in FY 2023 and beyond, until the bonds are paid, would need to remain at \$171,000.
7. The final payment on the bonds would be made in November 2033.

Recommendation:

It is recommended that the Board of Education approve the following.

1. Real Estate Purchase and Sale Contract
2. Termination of Right of First Refusal and Purchase Option Agreement
3. Termination of Lease Agreement
4. A request to the City of Kingsport, Board of Mayor and Aldermen to issue 12 year capital outlay notes for \$2,000,000 to fund the purchase agreement. The payments for these notes would come from future School Fund budgets.



AGENDA ACTION FORM

Authorizing General Obligation Refunding Bonds, Series 2020

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

Action Form No.: AF-265-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Sid Cox / Mike Billingsley
 Presentation By: Chris McCartt / Sid Cox

Recommendation:

Approve the Resolution.

Executive Summary:

The City has a an opportunity to realize significant savings by advance refunding certain General Obligation Public Improvement Bonds, Series 2011 and certain General Obligation Public Improvement Bonds, Series 2012C within the taxable bond market. As previously discussed, the estimated net present value debt service savings is \$1,276,325 or 8.92% of the refunded principal of \$14,305,000, over the remaining life of the bonds. The final maturity of the Series 2020 Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.

The State of Tennessee Comptroller's Office, Division of Local Government Finance has been notified and has acknowledged the refunding opportunity in a report dated August 28, 2020 that was previously communicated to the BMA. The City will be assisted in this refunding transaction by Raymond James & Associates, Inc. City staff is pleased to present this unique savings opportunity to the BMA for consideration.

Attachments:

1. Bond Resolution
2. State of Tennessee Comptroller's Report
3. City of Kingsport Debt Policy

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

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS,
ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED
\$15,300,000 GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2020 (FEDERALLY TAXABLE), OF THE CITY OF
KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS
THEREOF

WHEREAS, pursuant to resolutions duly adopted by the Board of Mayor and Aldermen (the "Board") of the City of Kingsport, Tennessee (the "Municipality"), there have been authorized and issued (i) those certain General Obligation Public Improvement Bonds, Series 2011, dated December 16, 2011, issued in the original principal amount of \$16,140,000, maturing on March 1, 2023 and thereafter, and (ii) those certain General Obligation Public Improvement Bonds, Series 2012C, dated June 22, 2012, issued in the original principal amount of \$9,305,000, maturing on April 1, 2023 and thereafter (collectively, the "Refunded Bonds");

WHEREAS, the Municipality is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue and sell refunding bonds for the purpose of refunding bonds previously authorized and issued in advance of the maturity or redemption date of such bonds and to pay costs incident to the issuance and sale of the refunding bonds;

WHEREAS, the refunding of the Refunded Bonds will result in costs savings to the Municipality;

WHEREAS, the plan of refunding for the Refunded Bonds have been submitted to the Director of the Office of State and Local Finance for review and a report on the plan of refunding has been issued by such Director;

WHEREAS, it is necessary to appoint an escrow agent for the purpose of ensuring the payment of the principal of, premium, if any, and interest on the Refunded Bonds, and to provide for the execution of an escrow agreement between the Municipality and said escrow agent so as to best provide for the redemption of the Refunded Bonds;

WHEREAS, it is necessary to make provisions for the redemption in advance of the maturity of the Refunded Bonds;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$15,300,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable) (the "Bonds"), for the purposes of refunding the Refunded Bonds 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 Refunding Bonds, Series 2020 (Federally Taxable) 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.

"Escrow Agent" means the escrow agent selected by the Municipality to serve as escrow agent under the Escrow Agreement.

"Escrow Agreement" means that certain Escrow Agreement between the Municipality and the Escrow Agent in substantially the form attached hereto as Exhibit "B" with such changes and

revisions as may be deemed necessary by the Authorized Representatives of the Municipality executing the Escrow Agreement.

"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 U.S. Bank National Association, 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 refund the Refunded Bonds and to pay costs incident to the issuance of the Bonds, there is hereby authorized to be

issued General Obligation Refunding Bonds, Series 2020 of the Municipality, in the aggregate principal amount of not to exceed Fifteen Million Three Hundred Thousand Dollars (\$15,300,000), 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. The Board hereby finds that the refunding of the Refunded Bonds will result in cost savings to the Municipality.

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 Refunding Bonds, Series 2020 (Federally Taxable)," 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, 2021. 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 2032, 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, 2028, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2029, are subject to redemption prior to maturity on March 1, 2028, 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 hereby appoints Regions Bank as 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 Refunded Bonds were used to fund projects for the Municipality's water and sewer system, the 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 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 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 different designation;

(3) to change the first interest payment date on the Bonds, or any series thereof, to a date other than March 1, 2021, 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 March 1, 2032;

(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 Refunding Bonds, Series 2020 (Federally Taxable)"; 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. The Mayor and Recorder are hereby authorized to enter into a contract with the Municipal Advisor, for municipal advisory services in connection with the sale of the Bonds.

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 Financial 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) Such amount as is necessary from the principal proceeds, and premium received, if any, from the sale of the Bonds shall be deposited with the Escrow Agent under the Escrow Agreement to be invested as set forth therein to provide for the payment of the principal of, interest on, and redemption premium, if any, in connection with the Refunded Bonds.

(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. Escrow Agreement; Appointment of Escrow Agent. The Escrow Agreement between the Municipality and the Escrow Agent in the form attached hereto as Exhibit "B" is hereby approved, and the Mayor and the Recorder are hereby authorized and directed to execute such Escrow Agreement, in substantially such form with such changes as may be approved by the Mayor and the Recorder, their execution of such Escrow Agreement to be conclusive evidence of their approval of such changes, and to make provision for the execution of such Escrow Agreement by the appropriate officials of the Escrow Agent, as such Escrow Agent is designated by the Municipality.

Section 23. Redemption of Refunded Bonds. Upon the issuance of the Bonds, the Refunded Bonds shall be called for redemption in accordance with the provisions of the applicable resolution authorizing the issuance of the Refunded Bonds. Notices of call for redemption shall be given by the Escrow Agent to the holders of the Refunded Bonds in the manner required as set forth in the applicable resolution authorizing the issuance of the Refunding Bonds.

Section 24. 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 25. 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 26. 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 27. 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 28. Discharge and Satisfaction of Bonds. If 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 29. 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 and the redemption of the Refunded Bonds.

Section 30. 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 31. 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 32. 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 33. 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 34. 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 35. 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 6th day of October, 2020.

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 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 October 6, 2020; (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 \$15,300,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable) 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 6th day of October, 2020.

CITY RECORDER
SIDNEY H. COX

(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 REFUNDING BOND,
SERIES 2020 (FEDERALLY TAXABLE)

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, 2021, 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 inheritance, transfer and estate taxes, and except as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Refunding Bonds, Series 2020" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$ _____. The Bonds, which are issued for the purposes of (a) providing funds to refund (i) those certain General Obligation Public Improvement Bonds, Series 2011, dated December 16, 2011, issued in the original principal amount of \$16,140,000, maturing on March 1, 2023 and thereafter, and (ii) those certain General Obligation Public Improvement Bonds, Series 2012C, dated June 22, 2012, issued in the original principal amount of \$9,305,000, maturing on April 1, 2023 and thereafter (collectively, the "Refunded Bonds"); and (b) 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 October 6, 2020, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$15,300,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable), 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 Refunded Bonds were used to fund projects for the Municipality's water and sewer system, the 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, 2028 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2029, are subject to redemption prior to maturity on March 1, 2028, 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.

(SEAL)

PATRCIK W. SHULL
MAYOR

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 Refunding Bonds, Series 2020 (Federally Taxable) 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.

EXHIBIT "B"

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated _____, 2020 between U.S. BANK NATIONAL ASSOCIATION (the "Escrow Agent"), and the CITY OF KINGSPORT, TENNESSEE (the "Municipality").

WITNESSETH:

WHEREAS, the Municipality has issued its \$ _____ General Obligation Refunding Bonds, Series 2020 (Federally Taxable), dated the date of original issuance and delivery (the "Bonds"), for the purposes of (a) redeeming (i) those certain General Obligation Public Improvement Bonds, Series 2011 (the "Series 2011 Bonds"), dated December 16, 2011, issued in the original principal amount of \$16,140,000, maturing on March 1, 2023 and thereafter, and (ii) those certain General Obligation Public Improvement Bonds, Series 2012C (the "Series 2012C Bonds"), dated June 22, 2012, issued in the original principal amount of \$9,305,000, maturing on April 1, 2023 and thereafter (the Series 2011 Bonds and the Series 2012C Bonds, collectively, the "Refunded Bonds"); (b) paying on their respective due dates interest on the Refunded Bonds, (c) paying any applicable redemption premium on the Refunded Bonds, and (d) paying the costs of issuance incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to a resolution adopted by the Municipality on October 6, 2020, authorizing the issuance of the Bonds (the "Resolution"), the Escrow Agent has been appointed Escrow Agent by the Municipality for the purpose of assuring the payment of the principal of and interest on the Refunded Bonds and the Mayor and the Recorder of the Municipality have been authorized and directed to execute this Escrow Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Municipality and the Escrow Agent have agreed and hereby agree as follows for the equal and proportionate benefit and security of the owners of the Refunded Bonds:

Section 1. The Municipality will hereafter cause to be deposited with the Escrow Agent for the account of the Municipality from the proceeds of the Bonds the sum of \$ _____, such amount together with the investment income from all such monies is herein referred to as the Escrow Fund.

Section 2. The Municipality has called for redemption (a) on March 1, 2022, the Series 2011 Bonds maturing on March 1, 2023 and thereafter in the aggregate principal amount of \$ _____, and (b) on April 1, 2022, the Series 2012C Bonds maturing on April 1, 2023 and thereafter in the aggregate principal amount of \$ _____.

Notice of call for redemption with respect to such Refunded Bonds shall be given by the Escrow Agent on behalf of the Municipality to the owners of the Refunded Bonds as required in the resolutions authorizing said Refunded Bonds.

Section 3. (a) The Escrow Fund shall be immediately invested in direct obligations of the United States of America ("Investment Securities") in the following manner:

The amount of \$_____ shall be invested in the Investment Securities described in Schedule B attached at the prices therein stated (which will result in the yield to the Municipality from such Investment Securities being _____% per annum), all as more fully described in Schedule B hereto attached, resulting in an initial cash balance in said fund from such proceeds of \$_____.

The investment income from the Investment Securities in the Escrow Fund shall be credited to such fund and shall not be reinvested; provided, however, that the Escrow Agent may reinvest any monies remaining from time to time in the Escrow Fund in Investment Securities as shall be directed in writing by the Mayor of the Municipality; provided, that as a condition precedent to such reinvestment, when and only when (i) the Escrow Agent receives an opinion of counsel of recognized experience in matters under Section 148 of the Internal Revenue Code of 1986, as amended, relating to arbitrage bonds, that such reinvestment will not cause the Refunded Bonds to be arbitrage bonds (except that an opinion of counsel shall not be required if such reinvestment is in Zero Interest State and Local Government Series Securities issued by the Borrower of the Public Debt of the U.S. Department of the Treasury), and (ii) such reinvestment will not reduce the amount of money available to pay principal of and interest and redemption premiums on the Refunded Bonds when due below the amount necessary to make such payment. Any Investment Securities shall be direct obligations of the United States of America.

(b) The Escrow Agent shall not sell or request the redemption of any Investment Security; provided, that Investment Securities in the Escrow Fund may be replaced by the Municipality as directed in writing by the Mayor of the Municipality when and only when (i) the Escrow Agent receives an opinion of counsel of recognized experience in matters under Section 148 of the Internal Revenue Code of 1986, as amended, relating to arbitrage bonds, that such replacement will not cause the Refunded Bonds or the Bonds to be arbitrage bonds, and (ii) such replacement will not reduce the amount of money available to pay principal of and interest and redemption premiums on the Refunded Bonds when due below the amount necessary to make such payment. Any replacement Investment Securities shall be direct obligations of the United States of America.

Section 4. No paying agents' fees for the payment of principal of or interest on the Bonds or the Refunded Bonds or registrar's fees or other charges may be paid from the escrowed money or Investment Securities prior to retirement of all Refunded Bonds and the Municipality agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 5. At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of principal and interest falling due on the Refunded Bonds, the Escrow Agent shall promptly notify the Municipality of such deficiency.

Section 6. The Escrow Agent shall deliver to the Recorder of the Municipality a report of each transaction relating to the Escrow Fund as such transaction occurs, and on or before the first day of August of each year shall deliver to the Recorder a report of the financial condition of the Escrow Fund as of June 30 of such year and an operating statement for the Escrow Fund for the year ending June 30 of such year.

Section 7. The Escrow Agent agrees with the Municipality that the fee of the Escrow Agent throughout the term of this Escrow Agreement shall be (a) an annual administrative fee equal to \$_____ payable on the date hereof and annually thereafter on each March 1, and (b) a wire fee equal to \$_____ per wire, payable as required, and the Municipality hereby agrees to pay such fees.

Section 8. The Escrow Agent shall without further authorization or direction from the Municipality collect the principal of and interest on the Investment Securities promptly as the same shall fall due and, to the extent that Investment Securities and monies are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Refunded Bonds, or monies sufficient for the payment of the principal of, premium, and interest on such Refunded Bonds as the same shall become due and payable, all as set out in the collective Exhibit "A" hereof. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal and interest (and premium) by such paying agent or agents without default. The Municipality represents and warrants that the Escrow Fund, if held, invested, and disposed of by the Escrow Agent in accordance with the provisions of this Escrow Agreement, will be sufficient to make the foregoing and all other payments required under this Escrow Agreement. The proper paying agents for the Refunded Bonds are shown in Exhibit "A". When the aggregate total amount required for the payment of principal of and interest (and premium) on the Refunded Bonds has been paid to the paying agent bank(s) as hereinabove provided, the Escrow Agent shall transfer monies or Investment Securities then held hereunder to the Municipality and this Escrow Agreement shall cease.

Section 9. The Escrow Agent and the Municipality recognize that the holders from time to time of the Refunded Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the Escrow Agent as herein provided and in the provisions of this Escrow Agreement. It is therefore recited, understood and agreed that this Escrow Agreement shall not be subject to revocation or amendment until its provisions have been fully carried out.

Section 10. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Municipality or any paying agent of any of its obligations, or to protect any of the Municipality's rights under any bond proceeding or

any of the Municipality's other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person. The Escrow Agent shall not be liable for any act done or step taken or omitted by it, or for any mistake of fact or law, or for anything which it may do or refrain from doing, except for its negligence or its willful misconduct. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Refunded Bonds or the Bonds or in any proceedings taken in connection therewith, but they are made solely by the Municipality. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

The Escrow Agent shall perform only such duties and responsibilities as are expressly set forth in this Escrow Agreement and no other or further duties or responsibilities shall be implied. The Escrow Agent may consult with counsel of its choice with respect to any question relating to its duties and responsibilities hereunder or otherwise in connection herewith, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall be entitled to rely and shall be protected in acting in reliance upon any instructions or directions furnished to it in writing or pursuant to the provisions of this Escrow Agreement and shall be entitled to treat as genuine, and as the document it purports to be, any letter, paper, or other document furnished to it and believed by it to be genuine and to have been signed and presented by the proper party or parties. The Escrow Agent may execute any of its trusts or powers and perform any of its duties under this Escrow Agreement by or through attorneys, agents, or employees. The Escrow Agent is not liable for the accuracy of the calculations as to the sufficiency of the Investment Securities and money to pay the Refunded Bonds. If the Escrow Agent applies the Investment Securities and money as provided in this Escrow Agreement, the Escrow Agent will not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by the calculations.

The Escrow Agent may at any time resign and be discharged from its duties and obligations hereunder by giving thirty (30) calendar days notice, in writing, to the Municipality of such resignation specifying when such resignation shall take effect which date shall not be less than sixty (60) calendar days from the date of such notice. The Municipality shall promptly appoint a successor escrow agent by the resignation date. If the Municipality does not appoint a successor by the resignation date, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent, which court may thereupon, appoint a successor escrow agent. In the event the Escrow Agent resigns, the Municipality shall be responsible for any unpaid fees of the Escrow Agent through the effective date of the resignation. Any corporation, association, or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business, or any corporation, association, or other entity resulting from any such conversion, sale, merger, consolidation, or other transfer to which it is a party, ipso facto, shall be and become successor escrow agent hereunder, vested with all other matters as was its

predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

The Municipality may remove the Escrow Agent at any time, by giving thirty (30) calendar days notice, in writing, to the Escrow Agent specifying when such removal shall take effect. The Municipality shall appoint a successor escrow agent by the removal date.

Section 11. None of the provisions contained in this Escrow Agreement shall require the Escrow Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent shall be under no liability for interest on any fund or other property received by it hereunder, except as herein expressly provided.

Section 12. The Municipality agrees that it will promptly and without delay remit to the Escrow Agent, within ten (10) days after receipt of its written request, such additional sum or sums of money as may be necessary to assure the payment of the Refunded Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Escrow Agreement that are in excess of the sums provided for under Section 7 hereof.

Section 13. The Escrow Agent shall hold the Investment Securities and all money received by it from the collection of principal of and interest on the Investment Securities, and all money received from the Municipality hereunder, in a special fund and separate trust account wholly segregated from all other funds and investments deposited with the Escrow Agent, and shall never commingle such investments with other money or investments. Title to such Investment Securities and money shall remain in the Municipality.

Section 14. If any provision of this Escrow Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 15. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

Section 16. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by telegram as follows:

If to the Municipality:

City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660-4285
Attention: Recorder

To the Escrow Agent:

U.S. Bank National Association
333 Commerce Street, Suite 800
Nashville, Tennessee 37201
Attention: Global Corporate Trust Services

The Municipality and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

Section 17. This Escrow Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the Municipality has caused this Escrow Agreement to be signed in its name by the Mayor of the Municipality and attested by the Recorder and the official seal of the Municipality to be impressed hereon, and the Escrow Agent has caused this Escrow Agreement to be signed in its corporate name by its duly authorized representative, all as of the date first above written.

(SEAL)

CITY OF KINGSPORT

By: _____
PATRICK W. SHULL
MAYOR

ATTEST:

By: _____
SIDNEY H. COX
CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
CITY ATTORNEY

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Vice President

SCHEDULE A

\$16,140,000 General Obligation Public Improvement Bonds, Series 2011
dated December 16, 2011

<u>Payment Date</u>	<u>Interest</u>	<u>Called Principal*</u>	<u>Call Premium</u>	<u>Total Amount Due</u>
03/01/2021				
09/01/2021				
03/01/2022				

*

Paying Agent: Regions Bank

\$9,305,000 General Obligation Public Improvement Bonds Series 2012C
dated June 22, 2012

<u>Payment Date</u>	<u>Interest</u>	<u>Called Principal*</u>	<u>Call Premium</u>	<u>Total Amount Due</u>
04/01/2021				
10/01/2021				
04/01/2022				

*

Paying Agent: Regions Bank

SCHEDULE B

Escrow Agreement, dated _____, 2020
City of Kingsport, Tennessee

Investment Securities to be acquired pursuant
to the Escrow Agreement for \$ _____

See attached schedules

Initial Cash Balance \$ _____



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

August 28, 2020

Honorable Patrick W. Shull, Mayor
and Honorable Board of Aldermen
City of Kingsport
225 West Center Street
Kingsport, TN 37660

Dear Mayor Shull and Members of the Board:

Thank you for your recent correspondence. We acknowledge receipt on August 21, 2020, of a request from the City of Kingsport (the "City") for a report on a plan of refunding (the "Plan") for the City's proposed issuance of an estimated \$15,045,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable).

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the City's Plan. The Plan, this letter, and the enclosed report should be made available on the City's website and must be presented to each member of the Board for review prior to the adoption of a refunding bond authorizing resolution.

Changes to our Office

We are enclosing a memorandum about the newly created Division of Local Government Finance within the Comptroller's Office.

If you should have questions or need assistance, please feel free to contact your financial analyst, Lori Barnard, at 615.747.5347 or Lori.Barnard@cot.tn.gov.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Betsy Knotts".

Betsy Knotts
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Mr. Sidney H. Cox, Chief Financial Officer, City of Kingsport
Mr. Rick Dulaney, Raymond James & Associates, Inc.
Ms. Elizabeth Zuelke, Raymond James & Associates, Inc.
Ms. Cindy Barnett, Esq., Adams and Reese LLP

Enclosures: Report of the Director of the Division of Local Government Finance
Comptroller's Memorandum Regarding New Division

BK:lb



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report of the Director of the Division of Local Government Finance
Concerning the Proposed Issuance of
General Obligation Refunding Bonds, Series 2020 (Federally Taxable)
City of Kingsport, Tennessee**

This report is being issued pursuant to T.C.A. § 9-21-903 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on August 21, 2020, from the City of Kingsport (the “City”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The City should discuss these issues with bond counsel. This report and the City’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the Chief Financial Officer, our office has reviewed the City’s Plan, as required by TCA § 9-21-903, and provides the following analysis based upon the assumptions outlined in the Plan:

The City intends to issue by competitive sale \$15,045,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable) (the “Series 2020 Refunding Bonds”) priced at a premium of \$226,403, to advance refund:

- 1) \$10,015,000 General Obligation Public Improvement Bonds, Series 2011, dated December 16, 2011, maturing March 1, 2023 and thereafter; and
- 2) \$4,290,000 General Obligation Public Improvement Bonds, Series 2012C, dated June 22, 2012, maturing April 1, 2023 and thereafter.

The bonds being refunded total \$14,305,000 and will hereinafter be known collectively as the “Refunded Bonds”.

- The City’s objective for the refunding is to achieve debt service savings.
- The estimated net present value debt service savings is \$1,276,325, or 8.92% of the refunded principal amount of \$14,305,000.

- The final maturity of the Series 2020 Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- The proposed structure of the Series 2020 Refunding Bonds is not balloon indebtedness as defined in T.C.A. § 9-21-134.
- Estimated cost of issuance is summarized below and is based upon the par amount of \$15,045,000 for the Series 2020 Refunding Bonds:

	Amount	Price per \$1,000 Bond
Estimated Underwriter's Discount	\$ 82,748	\$ 5.50
Municipal Advisor (Raymond James)	39,500	2.63
Bond Counsel (Adams and Reese)	35,000	2.33
Rating Agencies	44,000	2.92
Other Fees	6,500	0.43
Total Cost of Issuance	<u>\$ 207,748</u>	<u>\$ 13.81</u>

Changes to the Structure of the Repayment Schedule

If the structure is revised, the City should determine if the new structure complies with the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness.

Financial Professionals

The Plan was prepared by the City with the assistance of Raymond James & Associates, Inc. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the City's underwriter and municipal advisor, please read the information posted on the MSRB website: www.msrb.org.

Plan Assumptions

The assumptions of the Plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report provides non assurances of the reasonableness of the underlying assumptions. The assumptions included in the City's Plan may not reflect either current market conditions or market conditions at the time of sale. The Series 2020 Refunding Bonds may be issued with a structure different from that of the Plan.

Debt Management Policy

The City has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the City's policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the refunding bonds have been issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City's governing body to review prior to adopting a new refunding bonds authorizing resolution.



Betsy Knotts
Director of the Division of Local Government Finance
Date: August 28, 2020

Enclosure: Requirements After Debt is Issued



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Requirements After Debt is Issued

- **Annual Budget Approval**

Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: tncot.cc/budget.

- **Debt Management Policy**

Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: tncot.cc/debt-policy.

- **Required Notification**

We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the City decides to proceed with the issue, the City's governing body and our office should be notified after the sale by the local government's Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

- (1) An increase in the principal amount of the debt issued;
- (2) An increase in costs of issuance; or
- (3) A decrease in the cumulative savings or increase in the loss.

The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the City's governing body and our office with the required filing of the Report on Debt Obligation, Form CT-0253.

- **Debt Report**

Pursuant to T.C.A. § 9-21-151(6)(c), a Debt Report (the "Report") shall be completed and filed with the governing body of the local government no later than forty-five (45) days after the issuance of the debt, with a copy (including attachments, if any) filed with the Division of Local Government Finance. The Report and instructions may be accessed at: tncot.cc/debt-report. No public entity may enter into additional debt if it has failed to file the Report.

- **Rule 15c2-12 of the Securities Exchange Act**

Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: emma.msrb.org.

RESOLUTION NO. 2012-093

A RESOLUTION TO ADOPT A DEBT MANAGEMENT POLICY FOR THE CITY OF KINGSPORT

WHEREAS, *Tennessee Code Annotated*, section 9-21-151(b)(1), authorizes the State Funding Board to develop model financial transaction policies for local governments;

WHEREAS, the State Funding Board has adopted a statement on debt management and directed local governments and government entities that borrow money to draft a debt management policy with certain mandatory provisions; and

WHEREAS, city staff proposes a debt management policy that includes the mandatory provisions relative to transparency, professionals and conflicts.

Now therefore,

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

SECTION I. The debt management policy is hereby adopted, as set forth as follows:

CITY OF KINGSPORT DEBT MANAGEMENT POLICY

I. INTRODUCTORY STATEMENT

This Debt Management Policy (the "Debt Policy") is a written guideline with parameters that affect the amount and type of debt that can be issued by the City of Kingsport [the "City"], the issuance process and the management of the City's debt. The purpose of this Debt Policy is to improve the quality of management and legislative decisions and to provide justification for the structure of debt issuances consistent with the Debt Policy's goals while demonstrating a commitment to long-term capital planning. It is also the intent of the City that this Debt Policy will signal to credit rating agencies, investors and the capital markets that the City is well managed and will always be prepared to meet its obligations in a timely manner. This Debt Policy fulfills the requirements of the State of Tennessee regarding the adoption of a formal debt management policy on or before January 1, 2012.

This Debt Policy provides guidelines for the City to manage its debt and related annual costs within both current and projected available resources while promoting understanding and transparency for our citizens, taxpayers, rate payers, businesses, vendors, investors and other interested parties.

In managing its debt (defined herein as tax-exempt or taxable bonds, capital outlay notes, other notes, capital leases, interfund loans or notes and loan agreements); it is the City's policy to:

- Achieve the lowest cost of capital within acceptable risk parameters
- Maintain or improve credit ratings
- Assure reasonable cost access to the capital markets
- Preserve financial and management flexibility
- Manage interest rate risk exposure within acceptable risk parameters

II. GOALS AND OBJECTIVES

Debt policies and procedures are tools that ensure financial resources are adequate to meet the City's long-term capital planning objectives. In addition, the Debt Policy helps to ensure that financings undertaken by the City have certain clear, objective standards which allow the City to protect its financial resources in order to meet its long-term capital needs.

The Debt Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the City's specific capital improvement needs; ability to repay financial obligations; and, existing legal, economic, and financial market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the City and its managers in policy and debt issuance decisions
- To maintain appropriate capital assets for present and future needs
- To promote sound financial management
- To protect the City's credit rating
- To ensure the City's debt is issued legally under applicable state and federal laws
- To promote cooperation and coordination with other parties in the financing
- To evaluate debt issuance options

III. GENERAL POLICIES

Long-term borrowing will not be used to finance current operating expenditures.

The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements and capital assets.

The City is subject to debt limitations imposed by the City Charter. The total bonded indebtedness of the City shall not exceed twenty percent (20%) of the assessed value of the taxable property of the City according to the most recent complete assessment. In determining the debt applicable to the legal debt limit, the following types of debt are excluded:

- general obligation bonds payable out of the revenues of any public utility;
- all bonds payable out of special assessment proceeds; and,
- tax anticipation bonds and notes.

As a goal, the City will maintain its net general obligation bonded debt at a level not to exceed ten percent (10%) of the assessed valuation of taxable property of the City unless otherwise directed by the Board of Mayor and Aldermen ("Legislative Body").

Revenues and rates for self supporting activities will be maintained to annually pay their operating expenses and one hundred and five percent (105%) of annual debt service for the tax-backed revenue bonds, general obligation bonds or other debt issued to finance their capital improvements.

Capital lease obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialized types of equipment, or other capital improvements.

IV. PROCEDURES FOR ISSUANCE OF DEBT

1) Authority

- a) The City will only issue debt by utilizing the statutory authorities provided by Tennessee Code Annotated, as supplemented and revised ("TCA") and the Internal Revenue Code (the "Code").

- b) The City will adhere to any lawfully promulgated rules and regulations of the State and those promulgated under the Code.
- c) All debt must be formally authorized by resolution of the City's Legislative Body.

2) Transparency

- a) It is recognized that the issuance of debt must have various approvals, and on occasion, written reports provided by the State of Tennessee Comptroller's office, either prior to adoption of resolutions authorizing such debt, prior to issuance and/or following issuance. The City and/or its Financial Professionals (defined herein), if any, will ensure compliance with TCA, the Code and all applicable federal and State rules and regulations. Such State compliance will include, but not be limited to, compliance with all legal requirements regarding adequate public notice of all meetings of the City related to consideration and approval of debt. In the interest of transparency, all costs (including interest, issuance, continuing, and one-time), the terms and conditions of each debt issue along with a debt service schedule outlining the rate of retirement for the principal amount will be disclosed to the Legislative Body, citizens/members and other interested parties in a timely manner in the documents provided to the Legislative Body for approval, which are available for public review on request.

Additionally, the City will provide the Tennessee Comptroller's office sufficient information on the debt to not only allow for transparency regarding the issuance, but also to assure that the Comptroller's office has sufficient information to adequately report on or approve any formal action related to the sale and issuance of debt. The City will also make this information available to its Legislative Body, citizens and other interested parties.

- b) The City will file its Audited Financial Statements and any Continuing Disclosure document prepared by the City or its Dissemination Agent with the MSRB through the operation of the Electronic Municipal Market Access system ("EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). To promote transparency and understanding, these documents should be furnished to members of the Legislative Body and made available electronically or by other usual and customary means to its citizens, taxpayers, rate payers, businesses, investors and other interested parties by posting such information on-line or in other prominent places.

V. CREDIT QUALITY AND CREDIT ENHANCEMENT

The City's debt management activities will be conducted in order to maintain or receive the highest possible credit ratings possible. The City Recorder, in conjunction with any professionals (including, but not limited to, financial advisors, underwriters, bond counsel, etc., individually or collectively referred to herein as "Financial Professionals") the City may choose to engage, will be responsible for maintaining relationships and communicating with one or more rating agencies.

The City will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown will an enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1) Insurance

The City may purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination will be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

2) Letters of Credit

The City may enter into a letter-of-credit ("LOC") agreement when deemed prudent and advantageous. The City or its Financial Professionals, if any, may seek proposals from qualified banks or other qualified financial institutions pursuant to terms and conditions that are acceptable to the City.

VI. AFFORDABILITY

The City will consider the ability to repay debt as it relates to the total budget resources, the wealth and income of the community and its property tax base and other revenues available to service the debt. The City may consider debt ratios and other benchmarks compared to its peers when analyzing its debt, including materials published by the nationally recognized credit rating agencies.

VII. DEBT STRUCTURE

The City will establish all terms and conditions relating to the issuance of debt and will invest all debt proceeds pursuant to the terms of its investment policy, if any. Unless otherwise authorized by the City, the following will serve as the general terms and conditions for determining structure:

1) Term

All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful economic life of the improvements and in consideration of the ability of the City to absorb such additional debt service expense. The term of debt will be determined by, but not limited to, the economic life of the assets financed, conditions in the capital markets, the availability of adequate revenue streams to service the debt and the existing pattern of debt payable from such identifiable fund or enterprise activity, but in no event will the term of such debt exceed forty (40) years, as outlined in TCA.

2) Capitalized Interest

From time to time, certain financings may require the use of capitalized interest from the date of issuance until the City is able to realize beneficial use and/or occupancy of the financed project. Interest may be capitalized through a period permitted by federal law and TCA if it is determined by the Legislative Body that doing so is beneficial and is appropriately memorialized in the legislative action authorizing the sale and issuance of the debt.

3) Debt Service Structure

General obligation debt issuance will be planned to achieve relatively net level debt service or level principal amortization considering the City's outstanding debt obligations, while matching debt service to the useful economic life of facilities. Absent events or circumstances determined by its Legislative Body, the City will avoid the use of bullet or balloon maturities (with the exception of sinking fund requirements required by term bonds) except in those instances where such maturities serve to make existing overall debt service level or match specific income streams. Debt which is supported by project revenues and is intended to be self-supporting should be structured to achieve level proportional coverage to expected available revenues.

4) Call Provisions

In general, the City's debt should include a call feature no later than ten (10) years from the date of delivery of the bonds. The City will avoid the sale of long-term debt which carries longer redemption features unless a careful evaluation has been conducted by the City Recorder and/or Financial Professionals, if any, with respect to the value of the call option.

5) Original Issuance Discount/Premium

Debt with original issuance discount/premium will be permitted.

6) Deep Discount Bonds

Deep discount debt may provide a lower cost of borrowing in certain capital markets. The City Recorder and/or its Financial Professionals, if any, should carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.

VIII. DEBT TYPES

When the City determines that debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1) Security Structure

a) General Obligation Bonds

The City may issue debt supported by its full faith, credit and unlimited ad valorem taxing power ("General Obligation Debt"). General Obligation Debt will be used to finance capital projects that do not have significant independent creditworthiness or significant on-going revenue streams or as additional credit support for revenue-supported debt, if such support improves the economics of the debt and is used in accordance with these guidelines.

b) Revenue Debt

The City may issue debt supported exclusively with revenues generated by a project or enterprise fund ("Revenue Debt"), where repayment of the debt service obligations on such Revenue Debt will be made through revenues generated from specifically designated sources. Typically, Revenue Debt will be issued for capital projects which can be supported from project or enterprise-related revenues.

c) Capital Leases

The City may use capital leases to finance projects assuming the City Recorder and/or Financial Professionals, if any, determine that such an instrument is economically feasible.

2) Duration

a) Long-Term Debt

The City may issue long-term debt when it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term debt will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that financial obligations do not exceed the expected useful economic life of the project(s) financed.

- i. *Serial and Term Debt*. Serial and Term Debt may be issued in either fixed or variable rate modes to finance capital infrastructure projects;
- ii. *Capital Outlay Notes ("CONs")*. CONs may be issued for up to twelve (12) years to finance capital infrastructure projects; or
- iii. *Capitalized Leases*. Capitalized Leases may be issued to finance infrastructure projects or equipment with an expected life not greater than the term of the lease.

b) Short-Term Debt

Short-term borrowing may be utilized for:

- i. Financing short economic life assets;
- ii. The construction period of long-term projects;
- iii. Interim financing; or
- iv. Temporary funding of operational cash flow deficits or anticipated revenues;

Subject to the following policies:

1. *Bond Anticipation Notes ("BANs")* BANs, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs will not mature more than 2 years from the date of issuance. BANs can be rolled in accordance with federal and state law. BANs will mature within 6 months after substantial completion of the financed facility.
2. *Revenue Anticipation Notes ("RANs") and Tax Anticipation Notes ("TANs")*. RANs and TANS will be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to federal IRS and state requirements and limitations.
3. *Lines of Credit*. Lines of Credit will be considered as an alternative to other short-term borrowing options. A line of credit will only be structured to federal and state requirements.
4. *Interfund Loans*. Interfund Loans will only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such interfund loans will be approved by the State Comptroller's office and will only be issued in compliance with state regulations and limitations.
5. *Other Short-Term Debt*. Other Short-Term Debt including commercial paper notes, BANs, Capitalized Leases and CONs, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to issue debt in a fixed or variable rate mode. The City will determine and utilize the most advantageous method for short-term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal.

3) Interest Rate Modes

a) **Fixed Rate Debt**

To maintain a predictable debt service schedule, the City may give preference to debt that carries a fixed interest rate.

b) **Variable Rate Debt**

The targeted percentage of net variable rate debt outstanding (excluding (1) debt which has been converted to synthetic fixed rate debt and (2) an amount of debt considered to be naturally hedged to short-term assets in the Unreserved General and/or Debt Service Fund Balance) will not exceed twenty-five percent (25%) of the City's total outstanding debt and will take into consideration the amount and investment strategy of the City's operating cash.

The following circumstances may result in the consideration of issuing variable rate debt:

- i. *Asset-Liability Matching*;
- ii. *Construction Period Funding*;
- iii. *High Fixed Interest Rates*. Interest rates are above historic averages;
- iv. *Diversification of Debt Portfolio*;
- v. *Variable Revenue Stream*. The revenue stream for repayment is variable and is anticipated to move in the same direction as market-generated variable interest rates or the dedication of revenues allows capacity for variability; and
- vi. *Adequate Safeguard Against Risk*. Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts such structures could include, but are not limited to, interest rate caps and short-term cash investments in the City's General Fund.

An analysis by the City Recorder and/or its Financial Professionals, if any, will be conducted to evaluate and quantify the risks and returns associated with the variable rate debt including, but not limited to, a recommendation regarding the use of variable rate debt.

4) **Zero Coupon Debt**

Zero Coupon Debt may be used if an analysis has been conducted by the City Recorder and/or Financial Professionals, if any, of the risks and returns associated with the Zero Coupon Debt. The analysis will include, but not be limited to, a recommendation regarding the use of Zero Coupon Debt as the most feasible instrument considering available revenues streams, the need for the project and other factors determined by the Legislative Body.

5) **Synthetic Debt**

The City will not enter into any new interest rate swaps or other derivative instruments unless it adopts a Debt Derivative Policy consistent with the requirements of TCA and only after approval of the State Comptroller's office and affirmative action of the Legislative Body. To the extent the City has any current existing interest rate swaps or other derivative instruments, the City will monitor these agreements and any amendments consistent with the compliance report issued by the State Comptroller's Office at the time the agreements were previously authorized.

IX. REFINANCING OUTSTANDING DEBT

The City Recorder, in conjunction with the Finance Professionals, if any, will have the responsibility to analyze outstanding debt for refunding opportunities. The City Recorder will consider the following issues when analyzing possible refunding opportunities:

1) **Debt Service Savings**

Absent other compelling considerations such as the opportunity to eliminate onerous or restrictive covenants contained in existing debt documents, the City has established a minimum net present value savings threshold of at least three percent (3%) of the refunded debt principal amount. Refunding opportunities may be considered by the City using any savings threshold if the refunding generates positive net present value savings. The decision to take less than three percent (3%) net present value savings or to take the savings in any matter other than a traditional year-to-year level savings pattern must be approved by the Legislative Body.

2) **Restructuring for economic purposes**

The City may also refund debt when it is in its financial interest to do so. Such a refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds, remove unduly restrictive bond covenants or any other reason approved by the Legislative Body in its discretion.

3) **Term of Refunding Issues**

Normally, the City will refund debt equal to or within its existing term. However, the City Recorder may consider maturity extension, when necessary to achieve desired outcomes, provided that such extension is legally permissible and it is approved by the Legislative Body. The City Recorder may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful economic life of the financed facility and the concept of inter-generational equity should guide these decisions.

4) **Escrow Structuring**

The City will utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process, that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal

guidelines. In cases where taxable debt is involved, the City Recorder, with the approval of bond counsel, may make a direct purchase as long as such purchase is the most efficient and least costly. Under no circumstances will an underwriter, agent or the Professional Advisors sell escrow securities involving tax-exempt debt to the City from its own account.

5) **Arbitrage**

The City will take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding. Any positive arbitrage will be rebated as necessary according to Federal guidelines.

X. METHODS OF ISSUANCE

The City Recorder may consult with a Finance Professional regarding the method of sale of debt. Subject to approval by the Legislative Body, the City Recorder will determine the method of issuance of debt on a case-by-case basis consistent with the options provided by prevailing State law.

1) **Competitive Sale**

In a competitive sale, the City's debt will be offered in a public sale to any and all eligible bidders. Unless bids are rejected, the debt will be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

2) **Negotiated Sale**

The City recognizes that some securities are best sold through a negotiated sale with an underwriter or group of underwriters. The City will assess the following circumstances in determining whether a negotiated sale is the best method of sale:

- a) State requirements on negotiated sales;
- b) Debt structure which may require a strong pre-marketing effort such as those associated with a complex transaction generally referred to as a "story" bond;
- c) Size or structure of the issue which may limit the number of potential bidders;
- d) Market conditions including volatility, wherein the City would be better served by the flexibility afforded by careful timing and marketing such as is the case for debt issued to refinance or refund existing debt;
- e) Whether the debt is to be issued as variable rate obligations or perhaps as Zero Coupon Debt;
- f) Whether an idea or financing structure is a proprietary product of a single firm;
- g) In a publicly offered, negotiated sale, the Financial Advisor, if any, will not be permitted to resign as the Financial Advisor in order to underwrite an issue for which they are or have been providing advisory services; and
- h) If there is no Financial Advisor, then the Underwriter in a publicly offered, negotiated sale will be required to provide pricing information both as to interest rates and to takedown per maturity to the Legislative Body (or its designated official) in advance of the pricing of the debt.

3) **Private Placement**

From time to time, the City may elect to privately place its debt. Such placement will only be considered if this method is demonstrated to be advantageous to the City.

XI. PROFESSIONALS

1) Financial Professionals

As needed, the City may select Financial Professionals to assist in its debt issuance and administration processes. Selection of the Financial Professionals will be based on, but not limited to, the following criteria:

- a) Relevant experience with municipal government issuers and the public sector;
- b) Indication that the firm has a broadly based background and is therefore capable of balancing the City's overall needs for continuity and innovation in capital planning and debt financing;
- c) Experience and demonstrated success as indicated by its experience;
- d) The firm's professional reputation;
- e) Professional qualifications and experience of principal employees; and
- f) Consideration should be given to the estimated costs, but price should not be the sole determining factor.

2) Miscellaneous

a) Written Agreements

- i. Any Financial Professionals engaged by the City will enter into written agreements including, but not limited to, a description of services provided and fees and expenses to be charged for the engagement.
- ii. The City will enter into an engagement letter agreement with each lawyer or law firm representing the City in a debt transaction. (No engagement letter is required for any lawyer who is an employee of the City or lawyer or law firm which is under a general appointment or contract to serve as counsel to the City. The City does not need an engagement letter with counsel not representing the City, such as Underwriters' counsel.)
- iii. The City will require all Financial Professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the City and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.
- iv. Financial Advisor: If the City chooses to hire financial advisors, the City will enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions. Whether in a competitive or negotiated sale, the Financial Advisor will not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance.
- v. Underwriter: If there is an Underwriter, the City will require the Underwriter to clearly identify itself in writing (e.g., in a response to a request for proposals or in promotional materials provided to an issuer) as an Underwriter and not as a Financial Advisor from the earliest stages of its relationship with the City with respect to that issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction, and that it has financial and other interests that differ from those of the City. The Underwriter in a publicly offered, negotiated sale will be required to provide pricing information both as to interest rates and to takedown per maturity to the Legislative Body in advance of the pricing of the debt.

b) Conflict of Interest

- i. Financial Professionals involved in a debt transaction hired or compensated by the City will be required to disclose to the City existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisors, swap advisors, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure will include that information reasonably sufficient to allow the City to appreciate the significance of the relationships.
- ii. Financial Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

XII. COMPLIANCE

1) Continuing Annual Disclosure

Normally at the time debt is delivered, the City will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the publically traded debt to provide certain financial information relating to the City by not later than twelve months after each of the City's fiscal years, (the "Annual Report") and provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the MSRB through the operation of the Electronic Municipal Market Access system ("EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the City is unable to provide the Annual Report to the MSRB and any SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of certain enumerated events will be filed by the City with the MSRB and any SID. The specific nature of the information to be contained in the Annual Report or the notices of significant events is provided in Continuing Disclosure Certificate. These covenants are made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b) (the "Rule").

2) Arbitrage Rebate

The City will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the Code.

3) Records

The City will also maintain records required by the Code including, but not limited to, all records related to the issuance of the debt including detailed receipts and expenditures for a period up to 6 years following the final maturity date of the debt.

XIII. DEBT POLICY REVIEW

1) General Guidance

The guidelines outlined herein are intended to provide general direction regarding the future issuance of debt. The City maintains the right to modify this Debt Policy and may make exceptions to any of its guidelines at any time to the extent that the execution of such debt achieves the goals of the City, as long as such exceptions or changes are consistent with TCA and any rules and regulations promulgated by the State.

This Debt Policy should be reviewed from time to time as circumstances, rules and regulations warrant.

2) Designated Official

The City Recorder is responsible for ensuring substantial compliance with this Debt Policy.

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

ADOPTED this the 15th of November, 2011.


ATTEST:


ANGELA MARSHALL
Deputy City Recorder




DENNIS R. PHILLIPS, Mayor

APPROVED AS TO FORM:


J. MICHAEL BILLINGSLEY, City Attorney



AGENDA ACTION FORM

Amending the Continuing Municipal Advisory Services Agreement with Raymond James & Associates, Inc., to Include Project Amendment II, the Issuance and Sale of General Obligation Refunding Bonds, Series 2020

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

Action Form No.: AF-264-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Sid Cox / Mike Billingsley
 Presentation By: Chris McCart / Sid Cox

Recommendation:

Approve the Resolution.

Executive Summary:

In conjunction with the proposed issuance and sale of General Obligation Refunding Bonds, Series 2020, the City will need to approve an amendment (known as Project Amendment II) to the continuing Municipal Advisory Agreement, as established with Raymond James & Associates, Inc., on September 17, 2019. The City has an excellent business relationship with Raymond James & Associates, Inc., who represented by Kingsport native, Richard (Rick) Dulaney.

Attachments:

1. Resolution
2. Agreement

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

RESOLUTION NO. _____

A RESOLUTION APPROVING PROJECT AMENDMENT II TO THE AGREEMENT WITH RAYMOND JAMES & ASSOCIATES, INC. TO THE MUNICIPAL ADVISORY AGREEMENT REGARDING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS 2020; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, in September, 2019, the board approved a resolution authorizing the mayor to sign an Municipal Advisory Agreement with Raymond James & Associates, Inc. for the issuance and sale of general obligation refunding bonds; and

WHEREAS, in order to proceed with the issuance and sale of the General Obligation Refunding Bonds 2020, Project Amendment II is required to be executed.

Now therefore,

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

SECTION I. That Project Amendment II to the Municipal Advisory Agreement with Raymond James & Associates, Inc., is approved.

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, Project Amendment II to the Municipal Advisory Agreement with Raymond James & Associates, Inc., and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said amendment being generally as follows:

**PROJECT AMENDMENT II
BY AND BETWEEN
CITY OF KINGSFORT, TENNESSEE
AND
RAYMOND JAMES & ASSOCIATES, INC.**

WHEREAS, the City of Kingsport, Tennessee (the "Issuer") and Raymond James & Associates, Inc. (the "Municipal Advisor") have entered into a continuing Municipal Advisory Agreement, (the "Agreement"), dated September 17, 2019 (which is incorporated by reference herein) to provide financial advice and assistance to the Issuer on an on-going basis regarding the sale, issuance and administration of its Debt Obligations and perhaps other related projects if and when needed; and WHEREAS, the Issuer has adopted a formal Debt Management Policy that requires all professionals involved in a debt transaction to disclose any existing Issuer and business relationships between and among the professionals participating in the transaction and in the interest of transparency, all costs associated with any Debt Obligations undertaken pursuant to the Agreement in a timely manner; and WHEREAS, the Board of Mayor and Aldermen of the Issuer may consider authorizing the sale and issuance of its general obligation refunding bonds for the purposes of (a) providing funds to refund (i) those certain General Obligation Public Improvement Bonds, Series 2011, dated December 16, 2011, issued in the original principal amount of \$16,140,000, maturing on March 1, 2023 and thereafter, and (ii) those certain General Obligation Public Improvement Bonds, Series 2012C, dated June 22, 2012, issued in the original principal amount of \$9,305,000, maturing on April 1, 2023 and thereafter (collectively, the "Refunded Bonds"); and (b) paying costs incident to the issuance and sale of the Bonds; and

WHEREAS, consistent with the Agreement and the Issuer's Debt Management Policy, the Issuer and the Municipal Advisor have agreed to disclose the proposed fees of the Municipal Advisor and all transaction participants for each transaction undertaken pursuant to the Agreement through an amendment and supplement with associated attachments, if any (the "Amendment"); and WHEREAS, the Municipal Advisor agreed to provide disclosures including professional relationships among transaction participants in accordance with the Issuer's Debt Management Policy, any additional possible conflicts of interest not previously disclosed in Exhibit A to the Agreement and an estimate of all transaction expenses and participants which are to be memorialized and presented in such Amendment; and

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained in the Agreement, it is hereby mutually understood and acknowledged by all parties that:

Section 1. Consistent with the Issuer's formally adopted Debt Management Policy and/or in the interest of full disclosure and transparency, the foregoing disclosures supplement those included in the Agreement and are made and hereby acknowledged as fully disclosed and waived where applicable.

Section 2. Consistent with the terms of the Agreement, 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 II and paid from proceeds of the Debt Obligations are as follows:

<u>Service</u>	<u>Provider</u>	<u>Estimated Cost</u>
Municipal Advisor:	Raymond James & Associates, Inc.	\$ 39,500.00
Bond Counsel:	Adams and Reese LLP	35,000.00
Credit Rating:	Moody's Investors Service, Inc	23,000.00
	S&P Global Ratings, Inc.	21,000.00
Registration, Paying and Escrow Agent:	US Bank National Association	1,250.00
POS Posting and Distribution:	IHC IPREO	1,500.00
Verification Agent:	Public Finance Partners LLC	3,000.00
Cusip Numbers:	S&P Cusip Services	1,000.00
Estimated Total:		\$ 125,250.00

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 date of the competitive public sale. This compensation is embedded in the bond issue bid pricing and is not separately stated cost of issuance.

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 at its next scheduled meeting following the delivery of the Debt Obligations and filed with the Tennessee Comptroller of the Treasury's Director of Local Government Finance in a timely fashion as required by prevailing State law.

Section 5. To the extent other related Raymond James personnel may assist with and provide investment or escrow bidding 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 for such services receives a separate annual fee.

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.

Section 8. We have reviewed Exhibit A "Disclosure for Municipal Advisor Agreement" which is part of the Agreement. We are not aware of any updates that are needed nor are there any additional disclosures that should be added at this time.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS PROJECT AMENDMENT II to be signed and sealed by their respective authorized officers this 6th day of October 2020.

[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 amendment 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 IVI. 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 V That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

PROJECT AMENDMENT II

BY AND BETWEEN

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

WHEREAS, the City of Kingsport, Tennessee (the “Issuer”) and Raymond James & Associates, Inc. (the “Municipal Advisor”) have entered into a continuing Municipal Advisory Agreement, (the “Agreement”), dated September 17, 2019 (which is incorporated by reference herein) to provide financial advice and assistance to the Issuer on an on-going basis regarding the sale, issuance and administration of its Debt Obligations and perhaps other related projects if and when needed; and

WHEREAS, the Issuer has adopted a formal Debt Management Policy that requires all professionals involved in a debt transaction to disclose any existing Issuer and business relationships between and among the professionals participating in the transaction and in the interest of transparency, all costs associated with any Debt Obligations undertaken pursuant to the Agreement in a timely manner; and

WHEREAS, the Board of Mayor and Aldermen of the Issuer may consider authorizing the sale and issuance of its general obligation refunding bonds for the purposes of (a) providing funds to refund (i) those certain General Obligation Public Improvement Bonds, Series 2011, dated December 16, 2011, issued in the original principal amount of \$16,140,000, maturing on March 1, 2023 and thereafter, and (ii) those certain General Obligation Public Improvement Bonds, Series 2012C, dated June 22, 2012, issued in the original principal amount of \$9,305,000, maturing on April 1, 2023 and thereafter (collectively, the “Refunded Bonds”); and (b) paying costs incident to the issuance and sale of the Bonds; and

WHEREAS, consistent with the Agreement and the Issuer’s Debt Management Policy, the Issuer and the Municipal Advisor have agreed to disclose the proposed fees of the Municipal Advisor and all transaction participants for each transaction undertaken pursuant to the Agreement through an amendment and supplement with associated attachments, if any (the “Amendment”); and

WHEREAS, the Municipal Advisor agreed to provide disclosures including professional relationships among transaction participants in accordance with the Issuer’s Debt Management Policy, any additional possible conflicts of interest not previously disclosed in Exhibit A to the Agreement and an estimate of all transaction expenses and participants which are to be memorialized and presented in such Amendment; and

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained in the Agreement, it is hereby mutually understood and acknowledged by all parties that:

Section 1. Consistent with the Issuer’s formally adopted Debt Management Policy and/or in the interest of full disclosure and transparency, the foregoing disclosures supplement

those included in the Agreement and are made and hereby acknowledged as fully disclosed and waived where applicable.

Section 2. Consistent with the terms of the Agreement, 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 II and paid from proceeds of the Debt Obligations are as follows:

<u>Service</u>	<u>Provider</u>	<u>Estimated Cost</u>
Municipal Advisor:	Raymond James & Associates, Inc.	\$ 39,500.00
Bond Counsel:	Adams and Reese LLP	35,000.00
Credit Rating:	Moody's Investors Service, Inc.	23,000.00
	S&P Global Ratings, Inc.	21,000.00
Registration, Paying and Escrow Agent:	US Bank National Association	1,250.00
POS Posting and Distribution:	IHC IPREO	1,500.00
Verification Agent:	Public Finance Partners LLC	3,000.00
Cusip Numbers:	S&P Cusip Services	1,000.00
Estimated Total:		<u>\$ 125,250.00</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 date of the competitive public sale. This compensation is embedded in the bond issue bid pricing and is not separately stated cost of issuance.

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 at its next scheduled meeting following the delivery of the Debt Obligations and filed with the Tennessee Comptroller of the Treasury's Director of Local Government Finance in a timely fashion as required by prevailing State law.

Section 5. To the extent other related Raymond James personnel may assist with and provide investment or escrow bidding 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 for such services receives a separate annual fee.

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.

Section 8. We have reviewed Exhibit A “Disclosure for Municipal Advisor Agreement” which is part of the Agreement. We are not aware of any updates that are needed nor are there any additional disclosures that should be added at this time.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS PROJECT AMENDMENT II to be signed and sealed by their respective authorized officers this 6th day of October 2020.

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: CFO and Recorder

RAYMOND JAMES & ASSOCIATES, INC.

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



AGENDA ACTION FORM

Agreement with Northeast State Community College and the City of Kingsport

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

Action Form No.: AF-254-2020
Work Session: October 5, 2020
First Reading: N/A
Final Adoption: October 6, 2020
Staff Work By: Deputy Chief Terry Arnold
Presentation By: Chief Scott Boyd

Recommendation:

Approve the Resolution.

Executive Summary:

The Kingsport Fire Department (KFD) is requesting authorization for the Mayor to sign all documents necessary to allow Northeast State Community College Emergency Medical Students an observation/hands on ride-along within the Kingsport Fire Department. This is a renewal from the contract that expired July 31, 2020.

This will benefit the Kingsport Fire Department by providing the experience of a fire based Emergency Medical Service for the students. This also allows the Fire Department the opportunity to expose potential employees to our City.

The Kingsport Fire Department would like the City of Kingsport to enter into an agreement with Northeast State Community College for this educational endeavor.

Attachments:

1. Resolution
2. Contract

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AGREEMENTS WITH
NORTHEAST STATE COMMUNITY COLLEGE AND WALTERS
STATE COMMUNITY COLLEGE, AND AUTHORIZING THE
MAYOR TO EXECUTE THE AGREEMENTS AND ALL OTHER
DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE
THE PURPOSE OF THE AGREEMENTS

WHEREAS, the paramedics in school at Northeast State Community College and Walters State Community College would like to do ride-alongs with the firefighters and paramedics of the Kingsport Fire Department; and

WHEREAS, the agreements set out herein below are for a period of five years ending July 31, 2025.

Now therefore,

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

SECTION I. That a Clinical/Practicum Affiliation Agreement with Northeast State Community College 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 Clinical/Practicum Affiliation Agreement with Northeast State Community College 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:

**CLINICAL/PRACTICUM AFFILIATION AGREEMENT BETWEEN
NORTHEAST STATE COMMUNITY COLLEGE
AND
THE CITY OF KINGSFORT**

This Agreement is made this 15th day of August 2020, by and between Northeast State Community College, hereinafter referred to as "Institution" and the City of Kingsport, for its Fire Department, hereinafter referred to as "Affiliate".

Whereas, it is to the mutual benefit of the parties to provide clinical/practicum experience for students enrolled in certain programs of Institution, the parties have agreed to the terms and provisions set forth below:

I. Purpose - the purpose of this Agreement shall be to provide clinical/practicum experience to students enrolled in the EMT, AEMT, and Paramedic Program of Institution.

A. Consideration for this Agreement shall consist of the mutual promises contained herein, the parties agreeing that monetary compensation shall neither be expected nor received by either party.

B. The clinical/practicum experience shall be provided at Affiliate's facility located at: Kingsport Fire Department. hereinafter referred to as "Facility".

C. The specific experience to be provided students is described as follows: To provide experience in procedures routinely performed by an EMT, AEMT, and/or Paramedic. The experience provided under this Agreement is to extend classroom instruction into the clinical experience with the supervision of professional employees. The purpose of the clinical setting is to provide clinical experience in the Emergency Medical Technology Program to include intravenous access techniques, patient assessments, and treatment in the pre-hospital emergency situation as outlined by the Commission on Accreditation of Allied Health Education Programs and the Committee on Accreditation of Educational Programs for the EMS Professions and the Tennessee Department of Health, Division of Emergency Medical Services.

Terms and Conditions - pursuant to the above-stated purpose, the parties agree as follows:

A. Term - The term of this Agreement shall be five years commencing August 15, 2020 and ending July 31, 2025.

Either party may terminate this Agreement upon giving 30 days written notice to the other party. Such termination shall have no effect on students receiving clinical/practicum experience during the current academic term.

This Agreement may be renewed with written approval of all parties for a total term of up to five years.

B. Placement of Students -As *mutually agreed* between the parties, Institution will place an appropriate number of students at the Facility each academic term.

C. Discipline· While enrolled in clinical/practicum experience at the Facility, students (and faculty, if applicable), will be subject to applicable policies of Institution and Affiliate.

Students shall be dismissed from participation in Institution's program only after the appropriate disciplinary or academic policies and procedures of Institution have been followed. However, Affiliate may immediately remove from the Facility any student who poses an immediate threat or danger.

D. Specific Responsibilities • The following duties shall be the specific Responsibility of the designated party (Institution and/or Facility):

1. Institution shall be responsible for the selection of students to be placed at the facility

2. Affiliate shall provide orientation to the Facility for students beginning clinical/practicum experience.

3. Institution shall be responsible for scheduling training activities for students.

4. Affiliate preceptors shall be responsible for supervising students at all times while present at the Facility for clinical/practicum experience. Institution shall provide support and orientation to preceptors.

5. Affiliate shall evaluate the performance of individual students as appropriate.

6. Affiliate shall retain complete responsibility for patient care providing adequate supervision of students (and faculty, if applicable) at all times.

7. Affiliate shall maintain a sufficient level of staff employees to carry out regular duties. Students will not be expected nor allowed to perform services in lieu of staff employees.

8. Affiliate shall provide emergency medical treatment to students (and faculty, if applicable) if needed for illness or injuries suffered during clinical/practicum experience. Such treatment shall be at the expense of the individual treated.

9. Affiliate shall maintain all applicable accreditation requirements and certify such compliance to Institution or other entity as requested by Institution. Affiliate shall also permit authorities responsible for accreditation of Institution's curriculum to inspect Affiliate's clinical/practicum facilities and services as necessary.

10. Institution shall provide health records of students (and faculty, if applicable) upon request by Affiliate.

11. Institution shall notify Affiliate if a student (or faculty, if applicable) is/are unable for any reason to report for clinical/practicum training.

12. Affiliate requires written evidence of professional liability insurance coverage from individual students and faculty and staff (if applicable) participating in the experience. The minimum amount of coverage per individual shall be \$1,000,000/\$3,000,000.

The coverage shall extend through the term of the student's and faculty or staff's (if applicable) participation.

13. The State of Tennessee is self-insured and does not carry or maintain commercial general liability insurance or medical, professional or hospital liability insurance. Any and all claims against the State of Tennessee, including Institution or its employees, shall be heard and determined by the Tennessee Claims Commission in the manner prescribed by law. Damages recoverable against Institution shall be expressly limited to claims paid by the Claims Commission pursuant to T.C.A. Section 9-8-301 et seq.

E. Mutual responsibilities-the parties shall cooperate to fulfill the following mutual responsibilities:

1. Each party shall comply with all federal, state and municipal laws, advice, rules and regulations which are applicable to the performance of this Agreement, which shall include but not be limited to: HIPAA Requirements: To the extent required by federal law, the parties agree to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. Section 1320d ("HIPAA") and any current and future regulations promulgated thereunder, including without limitation, the federal privacy regulations, the federal security standards, and the federal standards for electronic transactions, all collectively referred to herein as "HIPAA Requirements." The parties agree not to use or further disclose any Protected Health Information or Individually Identifiable Health Information, other than as permitted by HIPAA Requirements and the terms of this Agreement.

Each party will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations.

2. Background Checks: If criminal background checks of students are required by Affiliate, Institution shall notify students of this requirement prior to enrollment in the program or as soon as the requirement is known. Students will be informed by Institution that the check must be completed within the 90 day period immediately prior to the student's initial clinical/practicum placement. It shall be the student's responsibility to make timely arrangements for the background check and to pay any costs associated with such checks.

If criminal background checks are required for Institutional faculty or staff, it shall be Institution's responsibility to arrange for the background check, to pay all costs associated with such checks and to provide the results to Affiliate.

It shall be the responsibility of Affiliate to set the eligibility standards for participation and to evaluate the results of the background checks. If Affiliate determines that a student or faculty/staff member shall not participate at its facility, Affiliate shall so notify that individual and Institution. Institution shall take steps to ensure that this individual does not participate in the clinical/practicum program at Affiliate.

If an Institutional faculty/staff member is also an employee of Affiliate or is an employee at another hospital, health care facility or health care organization, Affiliate will allow the faculty/staff member to provide on site supervision and instruction for its clinical/practicum program without the necessity of undergoing an additional background check.

Recognizing that students enrolled in the EMT, AEMT, and Paramedic Program at Institution will potentially participate in multiple clinical/practicum placements at multiple facilities, Affiliate agrees to accept the results of the background check done prior to the student's initial clinical/practicum placement if the student maintains continuous enrollment in the health care program and if the results of the background check are archived by the background check agency.

Institution shall inform students or faculty/staff members excluded from clinical/practicum placement on the basis of a criminal background check of any review or appeal process available pursuant to the Fair Credit Reporting Act or any other law or policy, if any.

3. Students shall be treated as trainees who have no expectation of receiving compensation or future employment from Affiliate or Institution.

4. Any courtesy appointments to faculty or staff by either Institution or Affiliate shall be without entitlement of the individual to compensation or benefits from the appointing party.

5. The parties agree to comply with Titles VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973, Executive Order 11,246, and the Americans with Disabilities Act of 1990, and related regulations thereto, and further shall comply with all applicable federal rules, regulations and Executive Orders.

6. The confidentiality of patient records and student records shall be maintained at all times.

F. Miscellaneous Terms - The following terms shall apply in the interpretation and performance of this Agreement:

1. Neither party shall be responsible for personal injury or property damage or loss except that resulting from its own negligence or the negligence of its employees or others for whom the party is legally responsible.

2. The delay or failure of performance by either party shall not constitute default under the terms of this Agreement, nor shall it give rise to any claims against either party for damages. The sole remedy for breach of this Agreement shall be immediate termination.

3. This Agreement shall in no way be interpreted as creating an agency or employment relationship between the parties.

In witness whereat: the parties, through their authorized representatives have affixed their signatures below.

[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 VII. 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 VIII. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**CLINICAL/PRACTICUM AFFILIATION AGREEMENT BETWEEN
NORTHEAST STATE COMMUNITY COLLEGE
AND
THE CITY OF KINGSPORT**

This Agreement is made this 15th day of August 2020, by and between Northeast State Community College, hereinafter referred to as "Institution" and the City of Kingsport, for its Fire Department, hereinafter referred to as "Affiliate".

Whereas, it is to the mutual benefit of the parties to provide clinical/practicum experience for students enrolled in certain programs of Institution, the parties have agreed to the terms and provisions set forth below:

- I. **Purpose** - the purpose of this Agreement shall be to provide clinical/practicum experience to students enrolled in the EMT, AEMT, and Paramedic Program of Institution.
 - A. Consideration for this Agreement shall consist of the mutual promises contained herein, the parties agreeing that monetary compensation shall neither be expected nor received by either party.
 - B. The clinical/practicum experience shall be provided at Affiliate's facility located at: Kingsport Fire Department, hereinafter referred to as "Facility".
 - C. The specific experience to be provided students is described as follows: To provide experience in procedures routinely performed by an EMT, AEMT, and/or Paramedic. The experience provided under this Agreement is to extend classroom instruction into the clinical experience with the supervision of professional employees. The purpose of the clinical setting is to provide clinical experience in the Emergency Medical Technology Program to include intravenous access techniques, patient assessments, and treatment in the pre-hospital emergency situation as outlined by the Commission on Accreditation of Allied Health Education Programs and the Committee on Accreditation of Educational Programs for the EMS Professions and the Tennessee Department of Health, Division of Emergency Medical Services.

Terms and Conditions - pursuant to the above-stated purpose, the parties agree as follows:

- A. **Term** - The term of this Agreement shall be five years commencing August 15, 2020 and ending July 31, 2025.

Either party may terminate this Agreement upon giving 30 days written notice to the other party. Such termination shall have no effect on students receiving clinical/practicum experience during the current academic term.

This Agreement may be renewed with written approval of all parties for a total term of up to five years.

- B. Placement of Students – As *mutually agreed* between the parties, Institution will place an appropriate number of students at the Facility each academic term.
- C. Discipline - While enrolled in clinical/practicum experience at the Facility, students (and faculty, if applicable), will be subject to applicable policies of Institution and Affiliate.

Students shall be dismissed from participation in Institution's program only after the appropriate disciplinary or academic policies and procedures of Institution have been followed. However, Affiliate may immediately remove from the Facility any student who poses an immediate threat or danger.

- D. Specific Responsibilities - The following duties shall be the specific responsibility of the designated party (Institution and/or Facility):

1. Institution shall be responsible for the selection of students to be placed at the Facility.
2. Affiliate shall provide orientation to the Facility for students beginning clinical/practicum experience.
3. Institution shall be responsible for scheduling training activities for students.
4. Affiliate preceptors shall be responsible for supervising students at all times while present at the Facility for clinical/practicum experience. Institution shall provide support and orientation to preceptors.
5. Affiliate shall evaluate the performance of individual students as appropriate.
6. Affiliate shall retain complete responsibility for patient care providing adequate supervision of students (and faculty, if applicable) at all times.
7. Affiliate shall maintain a sufficient level of staff employees to carry out regular duties. Students will not be expected nor allowed to perform services in lieu of staff employees.
8. Affiliate shall provide emergency medical treatment to students (and faculty, if applicable) if needed for illness or injuries suffered during clinical/practicum experience. Such treatment shall be at the expense of the individual treated.
9. Affiliate shall maintain all applicable accreditation requirements and certify such compliance to Institution or other entity as requested by Institution. Affiliate shall also permit authorities responsible for accreditation of Institution's curriculum to inspect Affiliate's clinical/practicum facilities and services as necessary.
10. Institution shall provide health records of students (and faculty, if applicable) upon request by Affiliate.

11. Institution shall notify Affiliate if a student (or faculty, if applicable) is/are unable for any reason to report for clinical/practicum training.
12. Affiliate requires written evidence of professional liability insurance coverage from individual students and faculty and staff (if applicable) participating in the experience. The minimum amount of coverage per individual shall be \$1,000,000/\$3,000,000.

The coverage shall extend through the term of the student's and faculty or staff's (if applicable) participation.

13. The State of Tennessee is self-insured and does not carry or maintain commercial general liability insurance or medical, professional or hospital liability insurance. Any and all claims against the State of Tennessee, including Institution or its employees, shall be heard and determined by the Tennessee Claims Commission in the manner prescribed by law. Damages recoverable against Institution shall be expressly limited to claims paid by the Claims Commission pursuant to T.C.A. Section 9-8-301 et seq.

E. Mutual responsibilities - the parties shall cooperate to fulfill the following mutual responsibilities:

1. Each party shall comply with all federal, state and municipal laws, advice, rules and regulations which are applicable to the performance of this Agreement, which shall include but not be limited to:

HIPAA Requirements: To the extent required by federal law, the parties agree to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. Section 1320d ("HIPAA") and any current and future regulations promulgated thereunder, including without limitation, the federal privacy regulations, the federal security standards, and the federal standards for electronic transactions, all collectively referred to herein as "HIPAA Requirements." The parties agree not to use or further disclose any Protected Health Information or Individually Identifiable Health Information, other than as permitted by HIPAA Requirements and the terms of this Agreement.

Each party will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations.

2. **Background Checks:** If criminal background checks of students are required by Affiliate, Institution shall notify students of this requirement prior to enrollment in the program or as soon as the requirement is known. Students will be informed by Institution that the check must be completed within the 90 day period immediately prior to the student's initial clinical/practicum placement. It shall be the student's responsibility to make timely arrangements for the background check and to pay all costs associated with such checks.

If criminal background checks are required for Institutional faculty or staff, it shall be Institution's responsibility to arrange for the background check, to pay all costs associated with such checks and to provide the results to Affiliate.

It shall be the responsibility of Affiliate to set the eligibility standards for participation and to evaluate the results of the background checks. If Affiliate determines that a student or faculty/staff member shall not participate at its facility, Affiliate shall so notify that individual and Institution. Institution shall take steps to ensure that this individual does not participate in the clinical/practicum program at Affiliate.

If an Institutional faculty/staff member is also an employee of Affiliate or is an employee at another hospital, health care facility or health care organization, Affiliate will allow the faculty/staff member to provide on-site supervision and instruction for its clinical/practicum program without the necessity of undergoing an additional background check.

Recognizing that students enrolled in the EMT, AEMT, and Paramedic Program program at Institution will potentially participate in multiple clinical/practicum placements at multiple facilities, Affiliate agrees to accept the results of the background check done prior to the student's initial clinical/practicum placement if the student maintains continuous enrollment in the health care program and if the results of the background check are archived by the background check agency.

Institution shall inform students or faculty/staff members excluded from clinical/practicum placement on the basis of a criminal background check of any review or appeal process available pursuant to the Fair Credit Reporting Act or any other law or policy, if any.

3. Students shall be treated as trainees who have no expectation of receiving compensation or future employment from Affiliate or Institution.
4. Any courtesy appointments to faculty or staff by either Institution or Affiliate shall be without entitlement of the individual to compensation or benefits from the appointing party.
5. The parties agree to comply with Titles VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973, Executive Order 11,246, and the Americans with Disabilities Act of 1990, and related regulations thereto, and further shall comply with all applicable federal rules, regulations and Executive Orders.
6. The confidentiality of patient records and student records shall be maintained at all times.

F. Miscellaneous Terms - The following terms shall apply in the interpretation and performance of this Agreement:

1. Neither party shall be responsible for personal injury or property damage or loss except that resulting from its own negligence or the negligence of its employees or others for whom the party is legally responsible.
2. The delay or failure of performance by either party shall not constitute default under the terms of this Agreement, nor shall it give rise to any claims against either party for damages. The sole remedy for breach of this Agreement shall be immediate termination.
3. This Agreement shall in no way be interpreted as creating an agency or employment relationship between the parties.

In witness whereof, the parties, through their authorized representatives, have affixed their signatures below.

NORTHEAST STATE
COMMUNITY COLLEGE

THE CITY OF KINGSPORT
FIRE DEPARTMENT

BY: Bethany Bullock

BY: _____

TITLE: President

TITLE: _____

DATE: 08/21/2020

DATE: _____



AGENDA ACTION FORM

Authorize the Reimbursement of Materials Agreement Funds to School House, LLC for the Cherokee Bend Phase 2 Development

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

Action Form No.: AF-257-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: David Harris
 Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

In an effort to promote smart growth and infill development as well as encourage the new housing market within the Kingsport city limits, the City of Kingsport passed the Materials Agreement Policy as set forth in Resolution 2007-084. Developers have the opportunity to enter into an agreement with the City whereas the City furnishes the water and sewer materials for the developers use within the developer's proposed subdivision. The developer would be responsible for posting a cash bond covering the cost of the materials that would be available for refund (minus sales tax) once the project is completed and has been approved by the City Engineer and the Regional Planning Commission.

Pursuant to the policy, the BMA entered into Materials Agreements with School House, LLC related to Cherokee Bend Phase 2 (AF-03-2020) in the amount of \$23,332.69. Upon construction adjustment due to sales tax, and close out of the necessary materials, the developer is due \$21,177.45.

To date, including this development, the program has supported 921 new/proposed lots within the City of Kingsport. Of those lots, 559 Building Permits and 508 Certificates of Occupancy have been issued to date.

Attachments:

1. Resolution
2. Closeout Worksheet
3. Location Maps
4. As Build Drawing
5. Development Chart

Funding source appropriate and funds are available: *pm*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *cm*

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING REIMBURSEMENT OF
MATERIALS AGREEMENT FUNDS TO SCHOOL HOUSE, LLC
FOR CHEROKEE BEND PHASE 2

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, School House, LLC entered into a Materials Agreement in the total amount of \$23,332.69, with the city for provision of certain water and sewer materials by the city for Cherokee Bend, Phase 2; and

WHEREAS, upon construction, adjustment due to sales tax, and close out of the necessary materials the developer is due reimbursement funds in the amount of \$21,177.45 for Cherokee Bend, Phase 2; and

Now, therefore,

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

SECTION I. That reimbursement of Material Agreement funds to School House, LLC in the amount of \$21,177.45 for Cherokee Bend, Phase 2, is approved.

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

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Materials Agreement

Project: Cherokee Bend Phase 2
 Date: September 14, 2020
 Developer: School House, LLC

File No.: 2018-D17

Water Line

Item #	Item Description	Units	U/M	Price	Total
41810	6" x 18' D.I. Pipe	28.00	Joints	\$255.96	\$7,166.88
42120	4' Bury Hydrant	1.00	each	\$1,639.17	\$1,639.17
42325	6" MJ Gate Valve	3.00	each	\$495.17	\$1,485.51
43032	6x6x6 Anchor Tee	2.00	each	\$84.06	\$168.12
41951	6" MJ Plug w/ 2" Tap	1.00	each	\$38.65	\$38.65
42845	6" x 18" MJ Anchor Coupling	2.00	each	\$92.00	\$184.00
42555	6" D.I. MJ 22.5° Bend	1.00	each	\$37.50	\$37.50
42550	6" D.I. MJ 45° Bend	1.00	each	\$41.25	\$41.25
Project #	WA2052				
	Expense To:				
Project Total	451-0000-605-9003				\$10,761.08
Sales Tax	451-0000-207-0201			9.50%	\$1,022.30
	Total Cost Including Tax				\$11,783.38
	Amount Paid and Received To:				
Contractor Paid	451-0000-208-1250				\$9,514.28
Sales Tax:	451-0000-207-0201			9.50%	\$903.86
	Total Cost Including Tax				\$10,418.14
	Sales Tax Adjustment				\$118.45
Water	Refund Due Developer				\$9,395.83

Materials Agreement

Project: Cherokee Bend Phase 2
 Date: September 14, 2020
 Developer: School House, LLC

File No.: 2018-D17

Sanitary Sewer

Item #	Item Description	Units	U/M	Price	Total
45003	8" x 14' SDR-35 gsktd Sewer Pipe	63.00	Joints	\$46.62	\$2,937.06
45057	8" x 6" Tee Wye gsktd Sewer	13.00	each	\$38.90	\$505.70
45112	Manhole Frame & Covers V-1312-44	8.00	each	\$237.23	\$1,897.84
45226	Manhole Base (24") w/ Invert	8.00	each	\$550.00	\$4,400.00
45223	Manhole Concrete 16" Riser (48")	2.00	each	\$135.00	\$270.00
45219	Manhole Concrete 16" Concrete Cone	1.00	each	\$170.00	\$170.00
45221	Manhole Concrete 24" Concrete Cone	5.00	each	\$197.00	\$985.00
45218	Manhole Concrete 32" Concrete Cone	2.00	each	\$246.00	\$492.00
45229	Manhole Concrete 2" Grade Ring	1.00	each	\$31.00	\$31.00
45230	Manhole Concrete 4" Grade Ring	3.00	each	\$41.00	\$123.00
45231	Manhole Concrete 6" Grade Ring	2.00	each	\$57.00	\$114.00
Project #	SW2052				
	Expense To:				
Project Total	452-0000-606-9003				\$11,925.60
Sales Tax	452-0000-207-0201			9.50%	\$1,132.93
	Total Cost Including Tax				\$13,058.53
	Amount Paid and Receipted To:				
Contractor Paid	452-0000-208-1250				\$11,794.11
Sales Tax:	452-0000-207-0201			9.50%	\$1,120.44
	Total Cost Including Tax				\$12,914.55
	Sales Tax Adjustment				\$12.49
Sewer	Refund Due Developer				\$11,781.62
				Total Refund	\$21,177.45

All parties signing this document agree that the items listed, along with their quantities, were received, used and/or returned as shown on this document. Any items due to the City of Kingsport must be received before the materials agreement between the City of Kingsport and the developer is closed out.

City of Kingsport Warehouse:

Date: 9/10/2020

City of Kingsport Inspector:

Date: 9/10/2020

Developer:

Date: 9/10/2020





[Signature]
9-10-2020

ALLEY & ASSOCIATES, INC.
• SURVEYORS •
2012 MARKET STREET, PHOENIX 85002
TELEPHONE (602) 331-5555
FAX (602) 331-1895
E-MAIL: alley@alleyandassociates.com

1. *Author's address:* Department of Psychology, University of California, San Diego, 3541 La Jolla Village Drive, La Jolla, CA 92037, USA. E-mail: shawn.walker@ucsd.edu





SPODEN & WILSON
CONSULTING ENGINEERS
430 CLAY STREET
KINGSPORT, TENNESSEE 37660
Phone: (615) 331-1111
Fax: (615) 331-0852
email: swilson@spodenwilson.com

ENGINEER: **CHEROKEE BEND**
KINGSPORT
SCHOOL HOUSE, LLC
KINGSPORT

SHEET TITLE: **SANITARY SEWER UTILITIES PLAN**
DATE: 08/14/2019
FILE NO: 19-000000
NO. DATE
1 08-14-19
2 08-21-19
3 08-28-19
4 09-04-19

SP-6



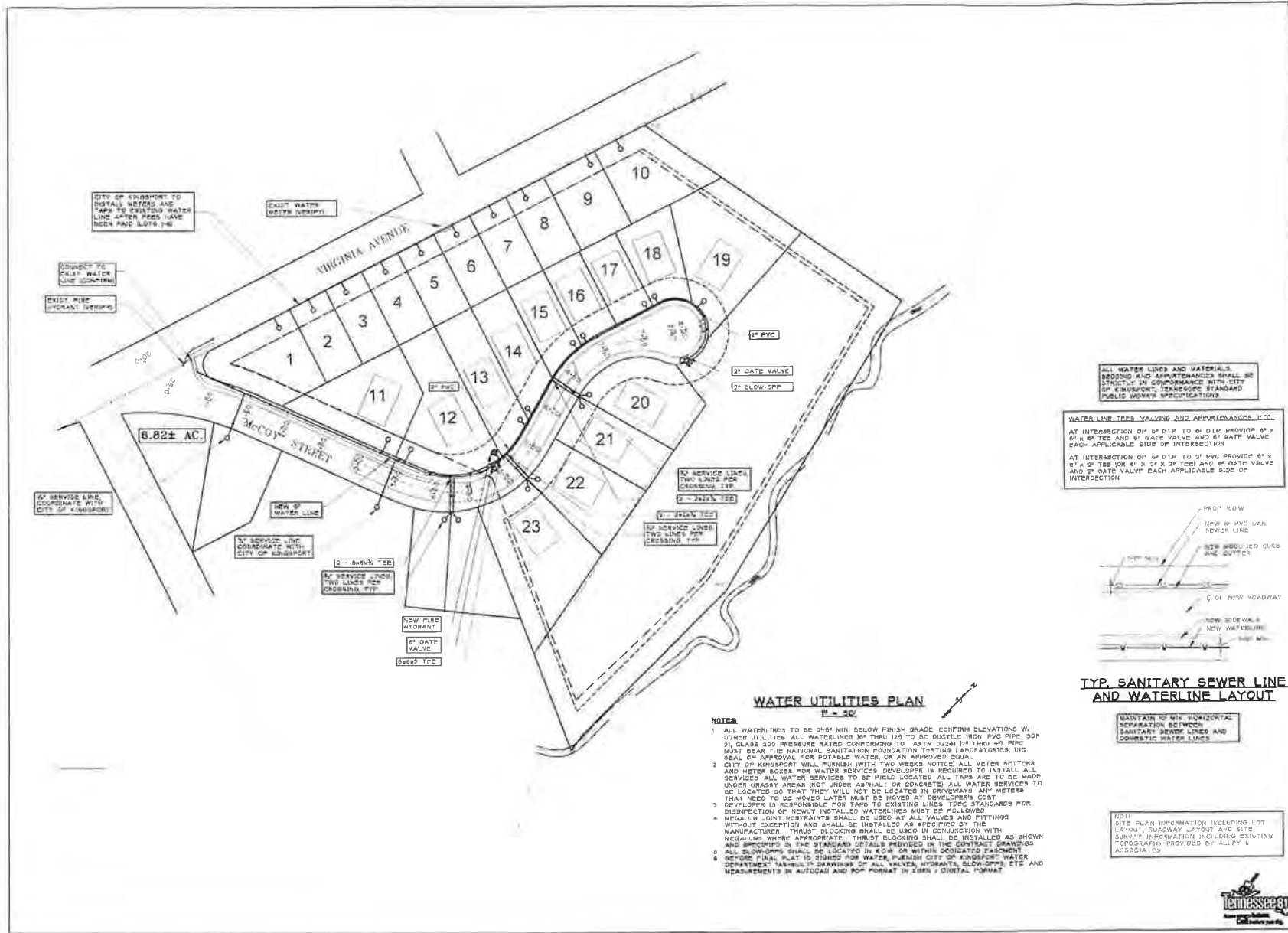


SPODEN & WILSON
CONSULTING ENGINEERS
430 CLAY STREET
KINGSPORT, TENNESSEE 37680
Phone: 423-245-1801 Fax: 423-245-0862
email: engineering@spodenwilson.com

CHEROKEE BEND
KINGSPORT, TENNESSEE
SCHOOL HOUSE, LLC
KINGSPORT, TENNESSEE

SHEET TITLE	
WATER UTILITIES PLAN	
DATE: 08-14-2008	
FILE NO: 245-0862	
REVISIONS:	
NO.	DATE
1	07-05-08
2	08-14-08
3	08-14-08
4	08-14-08

SP-9



City of Kingsport
MATERIALS AGREEMENT

Developer	Development	Proposed Lots/Development	Agreement Amt.	Date	Bldg. Permits	CO's	Reim to Dev	Status
Butch Rose	Hillcrest Heights	6	\$5,140.09	06/19/07	3	3	\$4,636.74	Closed
	Windridge Phase IV	40	\$92,202.29	04/15/08	16	15	\$85,648.47	Closed
Jeff McKee	Settler's Ridge Phase I	41	\$45,344.29	03/20/07	Total of 7	7	\$41,214.30	Closed
	Settler's Ridge Phase II	7	\$18,822.89	11/06/07			\$17,439.89	Closed
Edinburgh Group LLC	Edinburgh Phase IA, Section 1	32	\$42,867.62	02/19/07	Total of 221	192	\$39,474.82	Closed
	Edinburgh Phase IA, Section 2	15	\$25,205.92	04/17/07			\$23,273.53	Closed
	Edinburgh Phase 2, Section 1A	6	\$2,852.48	02/02/10			\$2,659.62	Closed
	Edinburgh Phase 2, Section 2	6	\$11,976.02	11/16/10			\$11,116.69	Closed
	Edinburgh Phase 2, Section 2B	11	\$9,472.85	10/18/11			\$8,770.02	Closed
	Edinburgh Phase 2, Section 2C	14	\$20,128.29	04/03/12			\$18,549.10	Closed
	Edinburgh Phase 2, Section 2E	8	\$25,177.34	10/02/12			\$23,403.87	Closed
	Edinburgh Phase 2, Section 2F	9	\$19,382.60	05/07/13			\$17,792.14	Closed
	Edinburgh Phase 4	17	\$65,033.97	07/24/13			\$60,735.18	Closed
	Edinburgh Phase V	12	\$51,965.42	10/7/2014			\$48,501.91	Closed
	Edinburgh Phase VII	20	\$27,552.51	6/2/2015			\$25,162.11	Closed
	Edinburgh Phase 9	6	\$5,917.93	5/5/2016			\$5,386.74	Closed
	Edinburgh Phase 10	10	\$38,265.22	3/1/2017			\$34,953.21	Closed
	Edinburgh South Phase 1	23	\$36,694.42	11/1/2016			\$33,722.81	Closed
	Edinburgh Phase 11	14	\$26,250.40	6/19/2018			\$23,984.14	Closed
	Edinburgh S. Phase 2 Gibson Spr	24	\$28,924.56	5/5/2020				Open
	Edinburgh S. Phase 3 Gibson Spr	19	\$38,378.10	10/15/2019			\$35,631.30	Closed
	Edinburgh Phase 12	13	\$12,752.16	7/23/2019				Open
Jerry Petzoldt	Old Island Phase II	59	\$118,027.86	05/06/08	43	41	\$111,538.58	Closed
Jim Nottingham	Riverwatch	29	\$47,605.13	04/15/08	20	20	\$44,680.99	Closed
Harold Slomp & Jack McMurray	Villas at Andover - Polo Fields	104	\$76,522.72	08/07/07	46	45	\$70,722.51	Closed
George Hunt	Hunts Crossing Phase II	22	\$18,375.20	04/15/08	6	6	\$16,883.63	Closed
Rob McLean	Anchor Point	80	\$72,552.51	07/15/08	42	41	\$66,603.46	Closed
	Anchor Point - Topsail Court	Included in Anchor Point	\$3,816.08	08/05/08		0		Closed
	Stapleton Dr Phase I	7	\$8,757.81	08/19/08	4	4	\$8,203.18	Closed
Ken Bates	Chase Meadows Phase I (reim for 1)	15	\$39,418.91	07/15/08	Total of 61	55	\$31,518.06	Closed
	Chase Meadows Phase II (amt not paid)	87	(\$68,096.96)	08/19/08				Closed
Terry Orth	Autumn Woods Phase I	19	\$30,628.25	10/07/08	19	19	\$28,588.47	Closed
	Autumn Woods Phase II	51	\$97,091.46	09/01/09	42	42	\$91,166.09	Closed
Gary Alexander	Riverbend Phase I	15	\$32,767.17	02/03/09	10	0	\$26,351.32	Closed
	Riverbend - Epcon Phase II (tabled 1/10/11)	9	(\$33,171.54)	02/01/11				Closed
Leonard & Cynthia Gerber	St. Andrew's Garth Phase I	40	\$34,049.03	03/16/10	8	8	\$30,938.04	Closed
Jane Karst	Jane Karst Subdivision	4	\$4,100.78	09/20/11			\$3,799.14	Closed
M & M Builders	Brookton Park Subdivision	7	\$2,145.88	09/20/11	7	7	\$1,959.94	Closed
Vic Davis	The Summitt at Preston Park Ph. 3	20	\$79,327.82	12/03/13	4	3	\$70,967.77	Closed
TOTAL		921	\$1,214,225.48		559	508	\$1,165,977.77	

Revised 09/04/20



AGENDA ACTION FORM

Accept Property Donation at West Park Development

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

Action Form No.: AF-230-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Jessica Harmon
 Presentation By: Chris McCartt

Recommendation: Approve the resolution.

Executive Summary:

WSD Group, GP, owners of the West Park development, would like to donate to the city approximately 1.43 acres of property that is currently known as Port Drive. This area contains the right-of-way that houses one of the streets that serve the commercial development.

During the development review process, a plan was formed to route the next phase of the western Greenbelt extension along this street providing pedestrian connectivity to the commercial development from the outside area. By accepting this property donation, the city would be protecting our investments in the Greenbelt and allow us to own the physical land in fee as opposed to having only a "right" to use the land. Approximately 98% of the Greenbelt is owned in fee and this property donation would allow us to continue that trend.

The resolution accepts the donation and authorizes the mayor to execute the deed to show acceptance by the city of the gift.

Attachments:

1. Resolution
2. Map

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

RESOLUTION NO. ____

A RESOLUTION APPROVING THE DONATION OF PROPERTY AT THE WEST PARK DEVELOPMENT FROM WSD GROUP, GP; AND AUTHORIZING THE MAYOR TO EXECUTE THE DONATION AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE DONATION OR THIS RESOLUTION

WHEREAS, WSD Group, GP, owners of the West Park development, would like to donate to the city approximately 1.43 acres of property that is currently known as Port Drive, which contains the right-of-way that houses one of the streets that serve the commercial development; and

WHEREAS, during the development review process, a plan was formed to route the next phase of the western Greenbelt extension along this street providing pedestrian connectivity to the commercial development from the outside area; and

WHEREAS, by accepting this property donation, the city would be protecting its investments in the Greenbelt and allow us to own the physical land in fee as opposed to having only a "right" to use the land.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. That the Donation Agreement for the donation by WSD Group, GP, of approximately 1.43 acres of property currently known as Port Drive for the future use of the western Greenbelt extension 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, a Donation Agreement with WSD Group, GP, of approximately 1.43 acres of property currently known as Port Drive for the future use of the western Greenbelt extension and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement, including execution of closing documents and acceptance of the Warranty Deed, or this resolution, said agreement being as follows:

DONATION AGREEMENT

THIS DONATION AGREEMENT (hereinafter "Agreement") is hereby made and entered into as of the latest of the dates of execution by the parties hereto as shown by the date of notarization of the signatures of the parties (hereinafter "Effective Date"), by and between CITY OF KINGSPORT, TENNESSEE, a Tennessee municipal corporation, (hereinafter "City") and WSD Group, GP (hereinafter "Donor").

RECITALS

WHEREAS, the Donor is the owner of a certain parcel of land containing 1.43 acres, more or less, located in Kingsport, Hawkins County, Tennessee the legal description of which is more particularly set forth on Exhibit A attached hereto and hereby made a part hereof (the "Property"); and
WHEREAS, Donor desires to donate the property to City; and
WHEREAS, City is willing to accept donation of the Property.

WITNESSETH:

NOW, THEREFORE, for and in consideration of the premises and mutual promises herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged and confessed, the parties hereto agree as follows:

SECTION 1. PROPERTY DONATION. Subject to the terms and conditions herein, Donor hereby agrees to donate the Property to City, and City hereby agrees to accept a donation of the Property. Donation of the Property shall be made by the Donor's execution of a Warranty Deed conveying the Property to City, which conveyance shall be free and clear of all liens and encumbrances except those to which City consents (the "Permitted Exceptions"). All property and interests of Donor to be conveyed hereunder are herein collectively called the "Property".

SECTION 2. CONDITIONS PRECEDENT. Prior to consummation of the donation, the following conditions precedent shall be satisfied.

a. Title Report. At its cost, Donor shall obtain and provide to City a title report for the Property, which title report shall describe the current status of title to the Property and shall be accompanied by copies of all instruments which create exceptions to the title. City shall have a period of fifteen (15) days after its receipt of the title report and exception documents and the survey described below to examine same and to raise any objections to the title or survey that City has. If City raises any objections to the title or survey, within ten (10) days thereafter the Donor will advise City whether or not the Donor will seek to cure any such objections. If Donor agrees to undertake the cure, it shall have such time as Donor needs to successfully effect the cure. All matters of title and of survey to which City does not object, and all matters of title and survey to which City has objected and Donor cures to the City's satisfaction, shall be Permitted Exceptions. City shall not be required to accept the donation of the Property if there are any matters of title or survey to which City has objected and for which no cure satisfactory to City has been obtained.

b. Survey. At its cost, Donor shall have provided an acceptable survey of the Property to City.

c. Environmental Report. At its cost, Donor shall have provided to City an acceptable Phase I environmental report for the Property.

d. Plat. The recordation of a plat creating the Property as a separate identifiable tract shall have been recorded in the Office of the Register of Deeds of Sullivan County.

SECTION 3. DONATION VALUE. Based on an appraisal dated August 26, 2020, by, Josh A. Gouge a licensed property appraiser approved by the Donor, for purposes of this Donation Agreement the value of the Property shall be the sum of One Million One Hundred and Fifty Thousand Dollars (\$1,150,000) subject to the prorations and other adjustments as hereinafter provided. At the closing of the transfer of the Property, the City shall provide proof or confirmation of donation of the Property for intended civic purposes and public benefit; provided, however, the donation value of the Property shall not be construed to create or impose any additional duty, monetary or otherwise, upon the City with respect to the other provisions of this Agreement; and provided, further, the City does not warrant or represent the deductibility of the donation for income tax purposes. Whether the donation may be treated as a proper deduction for income tax purposes is and shall remain solely the responsibility of Donor.

SECTION 4. PAYMENT OF PROPERTY TAXES. Incident to its donation of the Property to City, Donor shall provide to City a cash payment in an amount equal to the estimated property taxes owing for the Property from the beginning of the property tax year to the date of donation. Using such funds, City shall pay the property taxes for the Property for the year of donation at such time as the bill therefore is tendered.

SECTION 5. NO LIABILITY OF CITY OFFICIALS AND EMPLOYEES. No member, official, or employee of City shall be personally liable to Donor in the event any provision of the Agreement is unenforceable, or there is any default or breach by City, or for any amount which may become due under the Agreement, or on any obligations under the terms of the Agreement.

SECTION 6. CONVEYANCE OF PROPERTY AND RIGHT-OF-WAY. Donor shall convey clear and marketable title to the Property to City by Warranty Deed to said Property, without any restrictions or encumbrances except the proration real property taxes for the year in which the closing takes place and the Permitted Exceptions.

SECTION 7. CLOSING. Subject to the conditions set out in this Agreement, the closing shall occur on or before thirty (30) days after the Effective Date (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 City (the "Closing"). City and Donor agree to deliver and execute such documents as may be reasonable and necessary in the opinion of counsel for Donor and City to consummate and close the Donation and sale contemplated herein pursuant to the terms and provisions hereof.

SECTION 8. TITLE INSURANCE. City, at its expense, may secure an owner's title insurance commitment to issue a title insurance policy insuring City's fee simple interest in the Property to the extent of the Donation Price.

SECTION 9. POSSESSION. Delivery of possession of the Property to City shall occur at the successful completion of Closing.

SECTION 10. 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:

DONOR:

WSD GROUP, GP
121 W. Market Street
Kingsport, TN 37660
Attention: Todd East or Carla Karst

CITY:

City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660
Attention: J. Michael Billingsley

SECTION 11. PRORATIONS. All real property 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.

SECTION 12. REZONING. City assumes any and all costs of rezoning the property for civic use.

SECTION 13. SPECIAL ASSESSMENTS. Donor assumes the payment of any unpaid deferred charges or special assessments for public improvements levied before the Closing on or against the Property, including any tap fees for water or sewer service.

SECTION 14. REAL PROPERTY TAXES. City shall be responsible for all real property taxes levied against the Property after title is transferred, if any.

SECTION 15. USE OF PROPERTY. City currently intends to use the Property for right-of-way purposes, but nothing herein limits its use.

SECTION 16. ADDITIONAL RESPONSIBILITIES OF DONOR. Donor will prior to the donation of Property:

(a) Provide an opinion for the donation of the Property under these terms from a tax attorney or certified public accountant as to the eligibility of Donor's transfer of the Property for a charitable contribution deduction for federal income tax purposes, together with Donor's indemnity agreement whereby Donor agrees to hold the City harmless from any issues related to such tax treatment. City will not issue an opinion regarding any tax matter pertaining to the donation and will not execute any document for tax purposes without an opinion from a tax attorney or certified public accountant of Donor's choosing, reasonably acceptable to the City and paid for by Donor that City is able to lawfully and properly execute such documents and make such representations.

(b) All costs for the work described in this Section 16 will be borne by Donor.

SECTION 17. EXPENSES OF DONOR. In closing this transaction, Donor shall be charged with the following:

- (a) The cost of preparation of the warranty deed;
- (b) Any expenses needed to provide City with clear and marketable title to the Property;
- (c) The fees and expenses of any attorney or other advisor engaged by Donor in connection with this transaction; and
- (d) The commission or fees charged by any real estate broker or agent retained or used by the Donor in connection with this transaction.

SECTION 18. EXPENSES OF CITY. In closing this transaction, City 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; and
- (c) Any fees charged in connection with any attorney or other advisor engaged by City in connection with this transaction.

SECTION 19. RISK OF LOSS. The risk of loss or damage to any of the Property described above by fire or other casualty shall remain with the Donor until Closing. In the event of such loss before Closing, this Agreement shall be voidable at the option of City by written notice of such option to the Donor prior to the scheduled Closing. Should City elect to continue with the Donation following such loss or damage before Closing, City shall have the right to close this Agreement at the stated Donation Price.

SECTION 20. DEFAULT. In addition to the default set out in subsection (b) of this Section 20, the failure of either party to perform, keep or fulfill any of the covenants, undertakings, obligations or conditions set forth in this Agreement, is a default.

(a) If City is in default of this Agreement, Donor shall give written notice to City, and City shall have ten (10) business days from the date of the receipt of such notice within which to cure such default.

If the Closing contemplated by this Agreement is not consummated on account of City's default hereunder, Donor shall be entitled to terminate this Agreement.

(b) If Donor is in default of this Agreement, City shall give written notice to Donor, and Donor shall have ten (10) business days from the date of the receipt of such notice within which to cure such default, provided, however, there shall be no cure period for Donor's failure to close. If the Closing contemplated by this Agreement is not consummated on account of Donor's default hereunder City shall be entitled to terminate this Agreement and City shall be entitled to specific performance and all other rights, privileges or remedies available to City at law or in equity, severally or cumulatively. A default of Donor shall include, but is not limited to, the failure or refusal of Donor to close on the sale of the Property, when scheduled, or to convey a clear and marketable title by warranty deed to City, as set forth herein.

SECTION 21. DONOR'S WARRANTIES, REPRESENTATIONS AND COVENANTS. Donor hereby represents and warrants to City solely as to the following matters, each of which is so warranted to be true and correct as of the date hereof and shall, as a condition to City's obligations hereunder, be true and correct on the closing date:

(a) Donor has entered into no other presently effective agreement to sell the Property, or any portion thereof, nor has it granted any presently effective option for the sale of the Property, or any portion thereof, or right of first refusal or right of first offer with respect thereto;

(b) Donor has no knowledge of pending or contemplated condemnation proceedings affecting the Property, the abutting streets, or any part thereof;

(c) Donor is not now a party to any litigation with respect to the Property, and Donor knows of no litigation or threatened litigation affecting the title to the Property (and Donor shall give City prompt notice of the institution or threat of any such litigation prior to the Closing Date);

(d) Donor is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended, and as contemplated by the Foreign Investments in Real Property Tax Act (96 Stat. 2682), as amended by the Deficit Reduction Act of 1984, and City has no obligation to withhold and pay over to the U. S. Internal Revenue Service any part of the "amount realized" by Donor in the transaction contemplated hereby;

(e) The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Donor on the Closing Date, and the performance by Donor of Donor's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the Donation and sale of the Property as contemplated herein, are consistent with and not in violation of, and shall not create any adverse condition under, any contract, agreement or other instrument to which Donor is a party, or any judicial order or judgment of any nature by which Donor is bound; and

(f) All necessary and appropriate action has been taken by Donor authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Donor of the documents and instruments to be executed by Donor on the Closing Date, and the performance by Donor of Donor's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the Donation and sale of the Property as contemplated herein.

SECTION 22. CITY'S WARRANTIES, REPRESENTATIONS AND COVENANTS. City hereby represents and warrants to Donor solely as to the following matters, each of which is so warranted to be true and correct as of the date hereof and shall, as a condition to Donor's obligations hereunder, be true and correct on the closing date:

(a) The execution and delivery of this Agreement and the performance by City of its obligations hereunder have been duly authorized by all required action of City;

(b) City does not require any consents or approvals from any third party with respect to the execution and delivery of this Agreement or with respect to the performance by City of its obligations hereunder, including the Donation of the Property from Donor;

(c) The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by City on the Closing Date, and the performance by City of City's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the Donation of the Property as contemplated herein, are consistent with and not in violation of, and shall not create any adverse condition under, any contract, agreement or other instrument to which City is a party, any judicial order or judgment of any nature by which City is bound; and

(d) All necessary and appropriate action has been taken by City authorizing and approving the execution of and entry into this Agreement, the execution and delivery by City of the documents and instruments to be executed by City on the Closing Date, and the performance by City of City's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the Donation and sale of the Property as contemplated herein.

SECTION 23. TIME IS OF THE ESSENCE. Time is of the essence to the performance of this Agreement.

SECTION 24. MERGER CLAUSE; ENTIRE AGREEMENT; MODIFICATIONS. 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 Donor. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein, and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

SECTION 25. POST CLOSING SURVIVAL. Wherever in this Agreement Donor or City shall have agreed or promised to perform certain acts or otherwise where the context of this Agreement would require such performance or grants to occur after the Closing, then those agreements and covenants shall survive the Closing and continue to bind Donor and City.

SECTION 26. 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.

SECTION 27. SEVERABILITY. In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

SECTION 28. 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.

SECTION 29. 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.

SECTION 30. ASSIGNMENT. City may not assign or transfer this Agreement without the written consent of Donor, which consent shall be at Donor's sole discretion.

SECTION 31. MISCELLANEOUS.

(a) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

(b) This Agreement is intended to be solely for the benefit of the parties hereto and their respective successors and assigns, and the provisions of this Agreement are not intended to be, and shall not be construed, for the benefit of any third party.

(c) Each party has been represented by counsel and has had the opportunity to share in the drafting of this Agreement and accordingly this Agreement shall not be construed either for or against either party as the drafter.

(d) The rights and remedies provided by this Agreement are cumulative in nature and are in addition to, and not in lieu of, any other rights afforded by law.

(e) This Agreement may not be modified except in a writing executed by all of the parties.

(f) Where the circumstances require, the singular shall refer to the plural and the plural to the singular, and the use of one gender shall be applicable to all genders.

SECTION 32. 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 hereto in duplicate originals
[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 Donation 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 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 V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

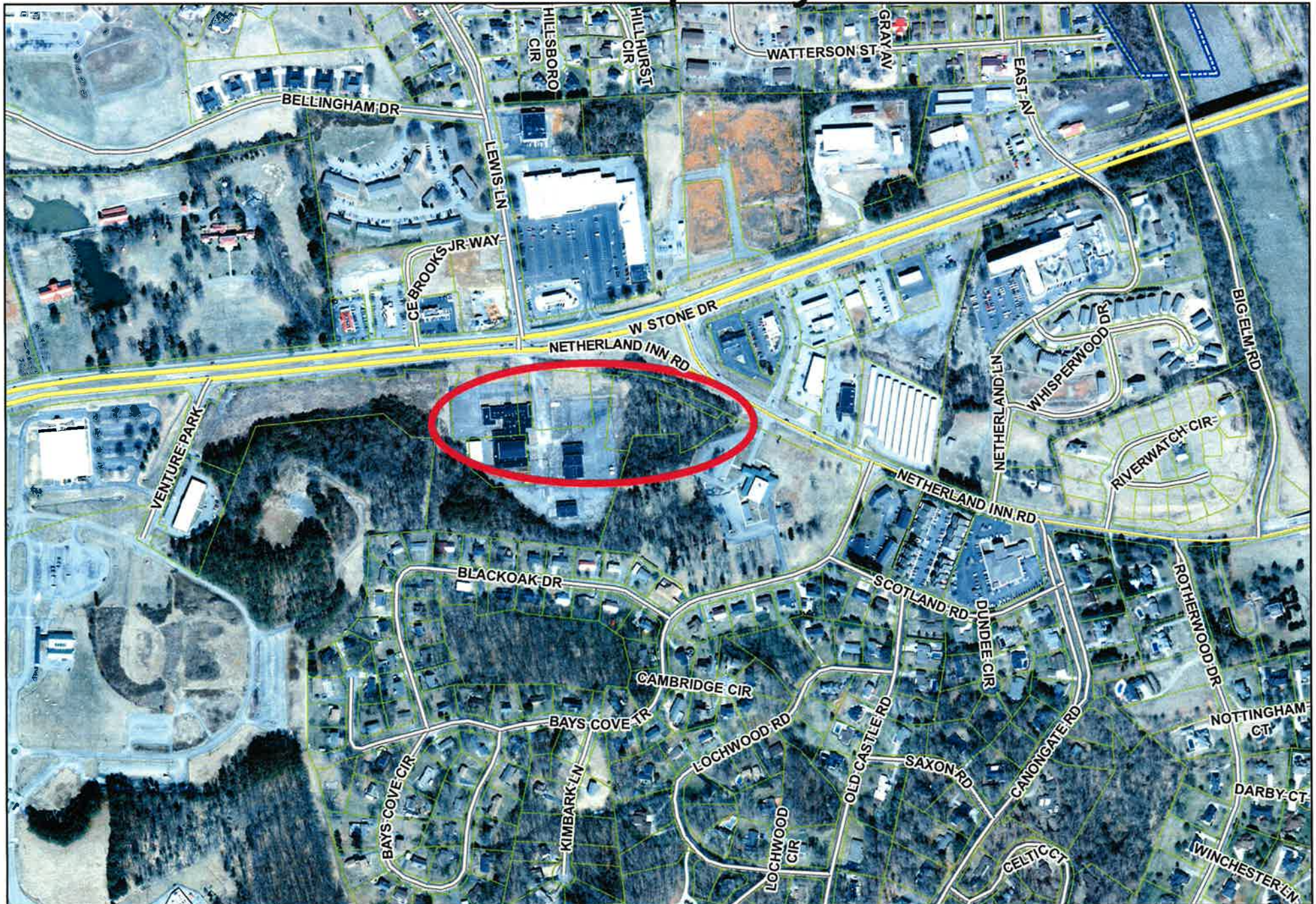
PATRICK W. SHULL, MAYOR

SIDNEY H. COX, CITY RECORDER

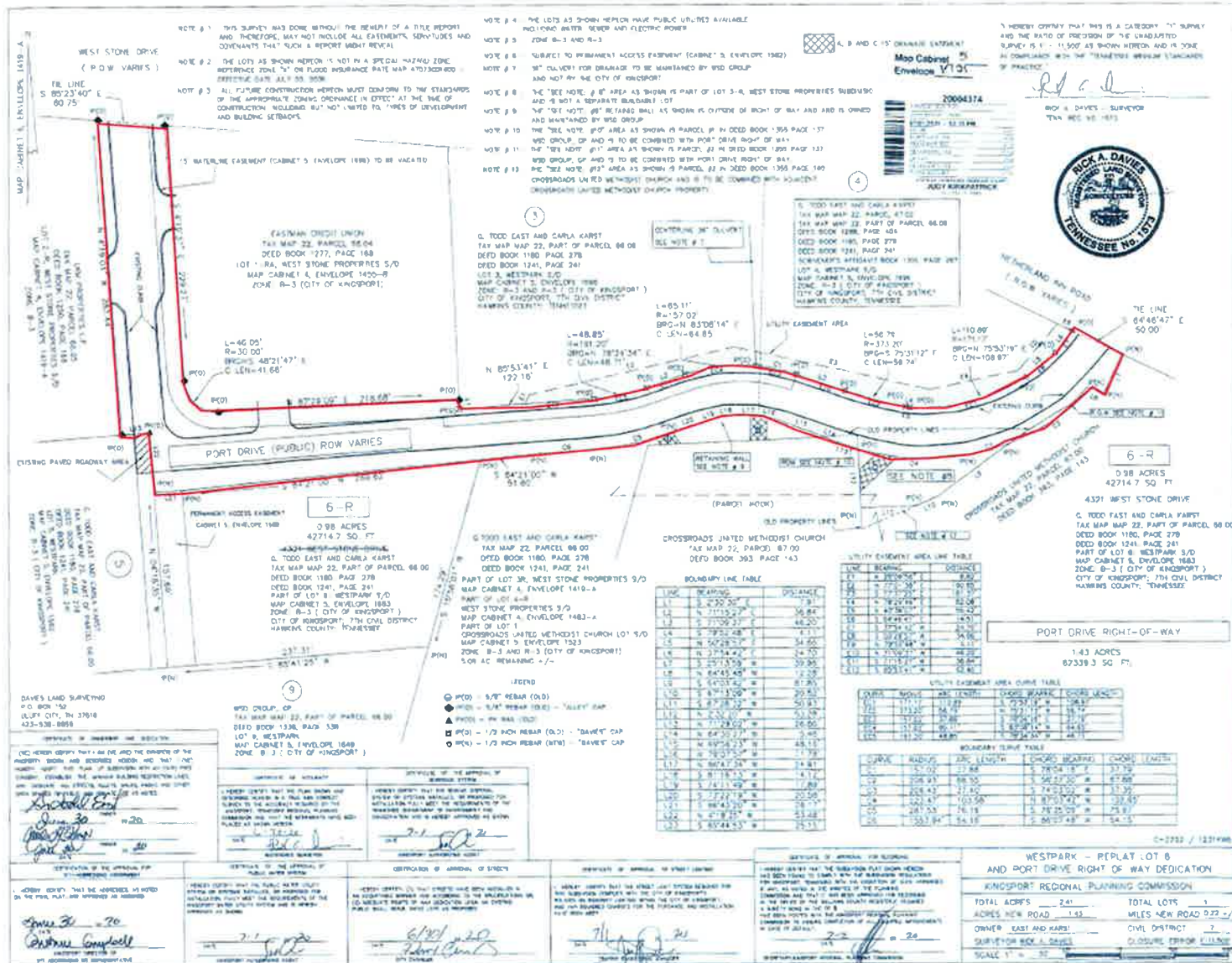
APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

West Park Property Donation



 Vicinity of Donation





AGENDA ACTION FORM

Execute an Amendment to the Contract between the City of Kingsport and the Tennessee Department of Environment and Conservation (TDEC)

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

Action Form No.: AF-261-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Staff
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution

Executive Summary:

Tennessee's solid waste act requires that landfill owners be able to demonstrate financial responsibility for future closure and post-closure activities. In June 1996, the City executed a contract in lieu of a performance bond. The present amount of financial assurance is \$2,120,401.36. This amount must be adjusted annually for inflation. The new amount of \$2,158,568.58 requires an amendment to the contract.

Attachments:

1. Resolution
2. Contract in Lieu of Performance Bond Amendment

Funding source appropriate and funds are available: *CM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *CM*

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AMENDMENT TO THE CONTRACT IN LIEU OF PERFORMANCE BOND WITH THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION INCREASING THE AMOUNT OF FINANCIAL ASSURANCE FOR THE LANDFILL; AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT OR THIS RESOLUTION

WHEREAS, in 1996, the board approved a resolution authorizing the mayor to sign a Contract in Lieu of Performance Bond with the Tennessee Department of Environment and Conservation for the demolition landfill; and

WHEREAS, due to inflation, the amount of the financial assurance changes annually; and

WHEREAS, the amount of the financial assurance in the current contract should be changed from \$2,120,401.35 to \$2,158,568.58.

Now therefore,

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

SECTION I. That an amendment to the Contract in Lieu of Performance Bond with Tennessee Department of Environment and Conservation 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, an amendment to the Contract in Lieu of Performance Bond with the Tennessee Department of Environment and Conservation for the demolition landfill and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said amendment being generally as follows:

**Amendment of Contract of Obligation in Lieu of Performance Bond (City)
Department of Environment and Conservation, Division of Solid Waste Management**

1. This amendment is made by the City of Kingsport ("the City"), and the Tennessee Department of Environment and Conservation ("the Department") to the Contract of Obligation in Lieu of Performance Bond for proper operation and/or post-closure of the City of Kingsport Demolition Landfill, Permit Number DML820000016 entered on or about 07/24/96 ("the Contract").

2. Paragraph 3 of the Contract is amended by deleting the language in the paragraph and substituting the following language, which shall constitute Paragraph 3 of the Contract:
The total penal sum of this contract is:

\$ 2,158,568.58

3. Except as set forth in this amendment, or another prior amendment, the Contract is unaffected and shall continue in full force and effect in accordance with its terms. If there is any conflict between this amendment and the Contract or any earlier amendment, the terms of this amendment shall control.

4. A copy of this amendment shall be filed with the Commissioner of the Tennessee Department of Finance and Administration.

5. All signatories to this amendment warrant that they have actual authority to enter this amendment on the terms contained herein.

6. This amendment shall be effective upon signature by all parties by a person authorized to bind each party. The Department shall note the Effective Date upon all signatures.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized and directed to make such changes approved by the mayor and the city attorney to the agreement as setout 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 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 V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Division of Financial Assurance
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Ave., 10th Floor
Nashville, TN 37243
(615) 532-0851

July 07, 2020

The Honorable Patrick W. Shull
City of Kingsport Mayor
225 West Center Street
Kingsport, Tennessee 37660

RE: 2020 Annual Inflation Adjustment of the Financial Assurance for the *City of Kingsport Demolition Landfill*, Permit No. **DML820000016** as required by the Regulations of the Division of Solid Waste Management

Dear Mayor Shull:

All county and municipal "Contracts of Obligation in Lieu of Performance Bonds" must be adjusted annually for inflation by no later than the anniversary date of the issuance of the contract.

Rule Chapters 0400-12-01-.06(8) and 0400-11-01-.03(3) state that the inflation adjustment may be made by recalculating the closure and/or post-closure cost estimate in current dollars or by using an inflation factor derived from the most recent Implicit Price Deflator for the Gross National Product published by the U. S. Department of Commerce, Bureau of Economic Analysis, in its Survey of Current Business.

The staff of the Division of Financial Assurance, utilizing data published by the U. S. Department of Commerce, Bureau of Economic Analysis, has projected the inflation factor to be used for **2020** inflation adjustments as **1.80%**. The amount of your financial assurance instrument(s) from the **Year 2019** must be multiplied by **1.0180**. The permitted facility and/or the Department may reserve the right to adjust this figure later based upon revised data released by the U. S. Department of Commerce, Bureau of Economic Analysis, during the year.

Effective immediately, any County or Municipal Contract of Obligation in Lieu of Performance Bond incurring an annual inflation adjustment shall not be processed by amendment until the cumulative amount of the adjustment(s) equals or exceeds TEN THOUSAND DOLLARS (\$10,000.00). This is a change from the previous threshold of Five Thousand Dollars (\$5,000.00). For example, if the inflation adjustment is \$4,000.00 in year one, \$5,000.00 in year two, and \$6,000.00 in year three, the amendment will be processed in year three when the total of adjustments exceeds \$10,000.00. We will continue to send your inflation adjustment figures annually for your records whether or not an amendment to the contract is required.

Please review the amount(s) for each permit listed below. If any changes or modifications to your permit(s) have occurred, please contact us as soon as you receive this letter. The due date(s) and projected amount(s) for the inflation adjustment(s) of your financial instrument(s) are as follows:

2020 Inflation Adjustment(s)

Facility Permit No.	Financial Instrument Type & No.	Financial Instrument Anniversary Due Date	Present Amount of Financial Assurance On File	Inflation Adjustment/ Increase Required	Inflation Adjustment and Allowable Post-Closure Reduction	Total Required Amount of Financial Assurance
DML820000016	Contract	07/24/20	\$ 2,120,401.36	\$ 38,167.22	\$ 0.00	\$ 2,158,568.58

Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the **2020** annual inflation adjustment and/or post-closure reduction (if applicable) for your permit(s). The spreadsheets also list the current amount of financial assurance on file for each permit.

PLEASE NOTE

If you have been advised by the TDEC Field Office that the required post-closure activities at a permitted site listed herein have not been performed to the satisfaction of the Field Office Staff, do not reduce your financial assurance instrument until the Field Office has approved the performance of the required post-closure work.

Please submit the inflation adjusted financial instrument(s) to the Division of Financial Assurance to my attention at the address listed on the letterhead as indicated above. If you have any questions, please call me at (615) 532-8571, or you may email me at Debra.Long@tn.gov.

Very Respectfully,

Debra F. Long

Debra F. Long, Financial Analyst

Enclosures: Customer Information Data Sheet, Summary Spreadsheet, Detailed Financial Assurance Information

CC: Chris Lamb, Manager of Solid Waste Management, Johnson City Field Office, TDEC

<https://www.tn.gov/environment/about-tdec/fin-financial-responsibility.html>

For Department Use Only

Effective Date: _____

Amendment of Contract of Obligation in Lieu of Performance Bond (City)
Department of Environment and Conservation, Division of Solid Waste Management

1. This amendment is made by the City of Kingsport ("the City"), and the Tennessee Department of Environment and Conservation ("the Department") to the Contract of Obligation in Lieu of Performance Bond for proper operation and/or post-closure of the City of Kingsport Demolition Landfill, Permit Number DML820000016 entered on or about 07/24/96 ("the Contract").
2. Paragraph 3 of the Contract is amended by deleting the language in the paragraph and substituting the following language, which shall constitute Paragraph 3 of the Contract:

The total penal sum of this contract is:

\$ 2,158,568.58
3. Except as set forth in this amendment, or another prior amendment, the Contract is unaffected and shall continue in full force and effect in accordance with its terms. If there is any conflict between this amendment and the Contract or any earlier amendment, the terms of this amendment shall control.
4. A copy of this amendment shall be filed with the Commissioner of the Tennessee Department of Finance and Administration.
5. All signatories to this amendment warrant that they have actual authority to enter this amendment on the terms contained herein.
6. This amendment shall be effective upon signature by all parties by a person authorized to bind each party. The Department shall note the Effective Date upon all signatures.

On Behalf of the City of Kingsport _____

Printed Name: _____

Title: _____

Date: _____

On Behalf of the Tennessee Department of Finance and Administration

Commissioner

Tennessee Department of Finance and Administration

Date: _____

On Behalf of the Tennessee Department of Environment and Conservation

David W. Salyers, P.E.

Commissioner

Tennessee Department of Environment and Conservation

Date: _____



AGENDA ACTION FORM

Authorization to Apply for a TDOT "Multimodal Access Grant" for Sidewalks along Fort Henry Drive in Colonial Heights

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

Action Form No.: AF-175-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Bill Albright/Mike Thompson
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

The Tennessee Department of Transportation (TDOT) is again offering jurisdictions an opportunity to apply for Multimodal Access Grant funds that focus on non-motorized forms of travel. These grants assist in financing the development of facilities that accommodate bicyclists and pedestrians, and support inter-connectivity with other modes of travel. Projects that are eligible for these funds must be located along a State Route. Grants require a local match of 5%, with 95% provided by TDOT.

Fort Henry Drive (State Route 36) within the Colonial Heights community meets this eligibility and is a corridor in need of sidewalks within Metro-Kingsport. City staff recommends applying for a grant to fund the development of sidewalks along the east side of Fort Henry Drive from Colonial Heights Road to Lakecrest Drive. Included in this project are improved crosswalks at various locations along the corridor. Additionally, Kingsport Area Transit System (KATS) operates a route in this area, and bus stop facilities will be installed to enhance multimodal connections. The cost of the project, which includes ADA-compatible sidewalks, crosswalks, and transit facilities, is estimated to be \$750,000.00 (\$712,500.00 State and \$37,500.00 Kingsport local match).

This project has received prior endorsement from the Kingsport Metropolitan Transportation Planning Organization at their Executive Board meeting on August 6, 2020. Staff recommends the Board approve submission and support of the application.

Attachments:

1. Resolution
2. Map

Funding source appropriate and funds are available: *CM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure. *SRD*

	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 A TENNESSEE DEPARTMENT OF TRANSPORTATION MULTI-MODAL GRANT FOR COLONIAL HEIGHTS SIDEWALKS ALONG FORT HENRY DRIVE

WHEREAS, the city would like to apply for a Multimodal Access Grant through the Tennessee Department of Transportation (TDOT), which will provide funds for the development of a sidewalk along the east side of Fort Henry Drive from Colonial Heights Road to Lakecrest Drive; and

WHEREAS, included in this project are improved crosswalks at various locations along the corridor, and Kingsport Area Transit System (KATS) bus stop facilities will be installed to enhance multimodal connections; and

WHEREAS, the maximum amount of the grant award is \$712,500.00, and the grant requires a 5% (\$37,500.00) local match, for a total of \$750,000.00.

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 a Multimodal Access Grant through the Tennessee Department of Transportation (TDOT) in the amount of \$750,000.00 for the development of a sidewalk along the east side of Fort Henry Drive from Colonial Heights Road to Lakecrest Drive, which requires a match of \$37,500.00.

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 6th day of October, 2020.

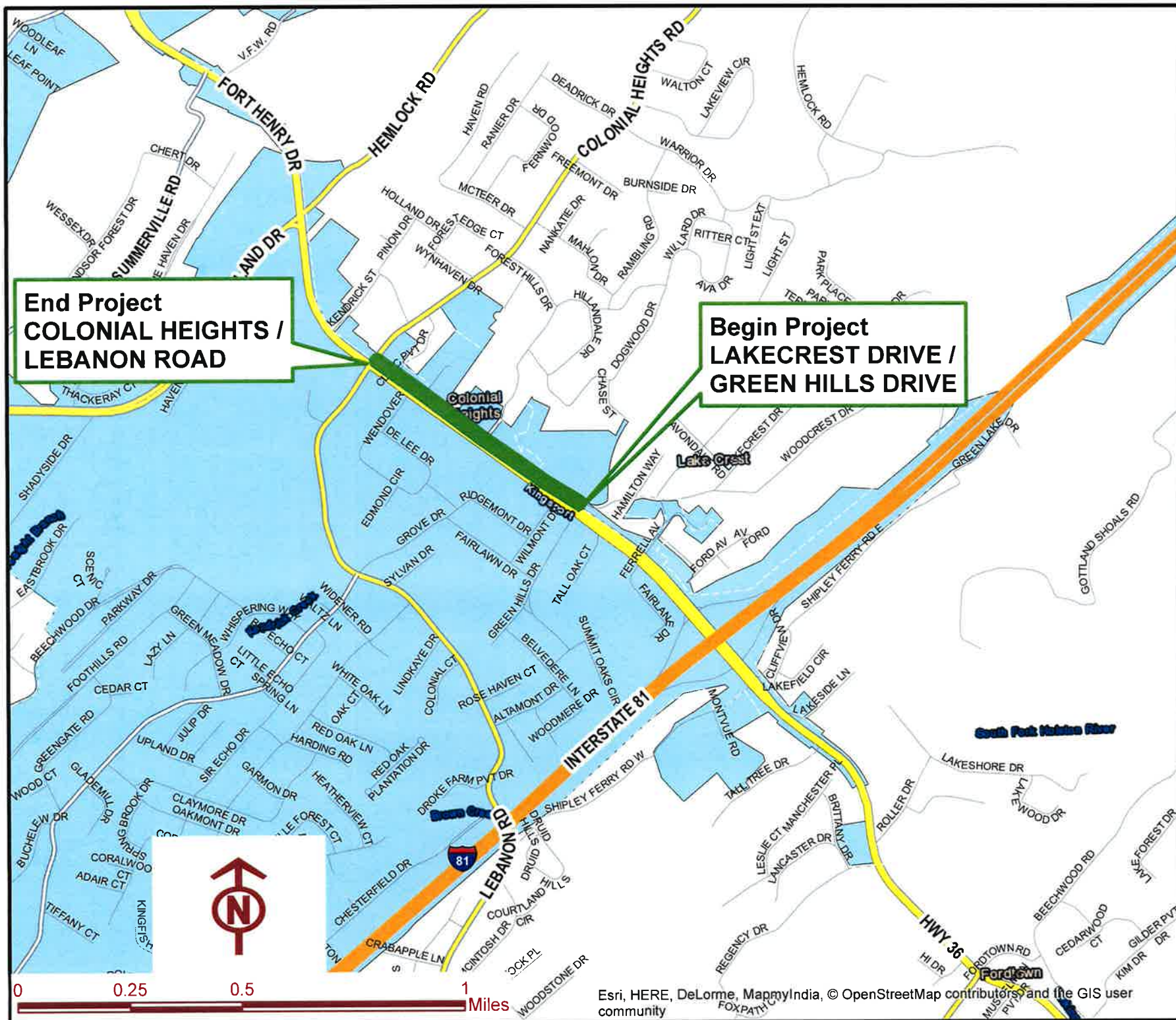
PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY





AGENDA ACTION FORM

Endorse the Industrial Highway Improvements Developed by the Tennessee Department of Transportation (TDOT) for Domtar Corporation

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

Action Form No.: AF-268-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Michael Thompson
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Domtar Corporation is in the process of repurposing operations at the paper mill from manufacturing of uncoated freesheet to producing recycled linerboard and medium. Conversion of the proposed plant facilitates the need for improvements of key intersections to provide access to the industrial area.

TDOT has developed plans for improved access to the industrial area for development and expansion at Domtar. These improvements include changes to the intersection of Stone Drive (SR 1) with Lynn Garden Drive (SR 36), as well as the intersection of Lynn Garden Drive (SR 36) with Center Street (SR 36 / 355).

It is requested to endorse the improvements TDOT has developed for improved access to the plant; and is also requested to authorize the execution of any signal maintenance agreements associated with the locations mentioned for this project.

Attachments:

1. Resolution
2. Location Maps

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

RESOLUTION NO. _____

A RESOLUTION ENDORSING THE INDUSTRIAL HIGHWAY IMPROVEMENTS DEVELOPED BY THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR DOMTAR CORPORATION; AND AUTHORIZE THE MAYOR TO EXECUTE ANY AND ALL SIGNAL MAINTENANCE AGREEMENTS ASSOCIATED WITH THE DEVELOPMENT; AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE ENDORSEMENT

WHEREAS, the city is vitally interested in the economic welfare of its citizens and wishes to provide the necessary leadership to enhance this area's capabilities for growth and development, and

WHEREAS, the provision of jobs to area citizens by local industry is both necessary and vital to the economic well-being of the city, and

WHEREAS, the Industrial Highway Act of 1959 authorizes the Tennessee Department of Transportation (TDOT) to contract with cities and counties for the construction and maintenance of "Industrial Highways" to provide access to industrial area and facilitate the development and expansion of industry within the State of Tennessee, and

WHEREAS, Domtar plans to construct a OCC Recycling and brown paper stock facility in the City of Kingsport, and

WHEREAS, the construction of improvements to key intersections to serve said proposed plant is necessary and vital to the successful completion of this project and the future economic well-being of this area.

Now therefore,

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

SECTION I. That the City of Kingsport endorses the improvements TDOT has developed for improved access to the Domtar facilities, which improvements include changes to the intersection of Stone Drive (S.R. 1) with Lynn Garden Drive (S.R. 36) as well as the intersection of Lynn Garden Drive (S.R. 36) with Center Street (S.R. 36/355).

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, any signal maintenance agreements for the above mentioned locations as deemed necessary by TDOT through the development of the final construction plans of the same, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the endorsement and signal maintenance agreements or 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 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 V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

TYPE	YEAR	COUNTY	FIGURE NO.
SIA	2020	SULLIVAN	2

NOTE:
SOUTHBOUND SR-36 LANE DESIGNATION TO CHANGE TO ALLOW THE LOOP RAMP FROM SR-1 TO ENTER SR-36.

ENTRANCE RAMP
RADIUS IMPROVEMENTS

W Stone Dr - Lee Hwy

11W

36

1



STATE INDUSTRIAL ACCESS

STATE ROUTE 1
PROJECT SMOKY
SULLIVAN COUNTY

CAUTION!
CONCEPTUAL
LAYOUT
SUBJECT TO
CHANGE

STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
S.T.D.

FIGURE 2
S.R. 1
AT S.R. 36

TYPE	YEAR	COUNTY	FIGURE NO.
SIA	2020	SULLIVAN	3



NEW SIGNALIZATION AND LANE DESIGNATION CHANGE FOR NEW INDUSTRIAL ACCESS DRIVEWAY. A DRIVEWAY PERMIT WILL BE REQUIRED.

CLOSURE OF THE EXISTING DRIVEWAY WILL BE REQUIRED.

NOTE:
NEW ACCESS DRIVEWAY FOR PROJECT SMOKY TO CONNECT TO SR-355.
NEW SIGNALIZATION WILL BE REQUIRED, ALONG WITH LANE DESIGNATION CHANGES



STATE INDUSTRIAL ACCESS

STATE ROUTE 355
PROJECT SMOKY
SULLIVAN COUNTY

CAUTION!
CONCEPTUAL
LAYOUT
SUBJECT TO
CHANGE



AGENDA ACTION FORM

Approval of Offers for Right-of-Way and Easements

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

Action Form No.: AF-260-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: R. Trent
 Presentation By: R. McReynolds

Recommendation:

Approve the offers.

Executive Summary:

In order to proceed with the Main Street Rebuild & Streetscape Project, the Public Works Department has requested rights-of-way and easements across affected properties. Appraisals have been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures as well as Federal Highway Guidelines and indicate the fair market value as per the attached property owners.

This project will be funded under #GP1516.

Attachments:

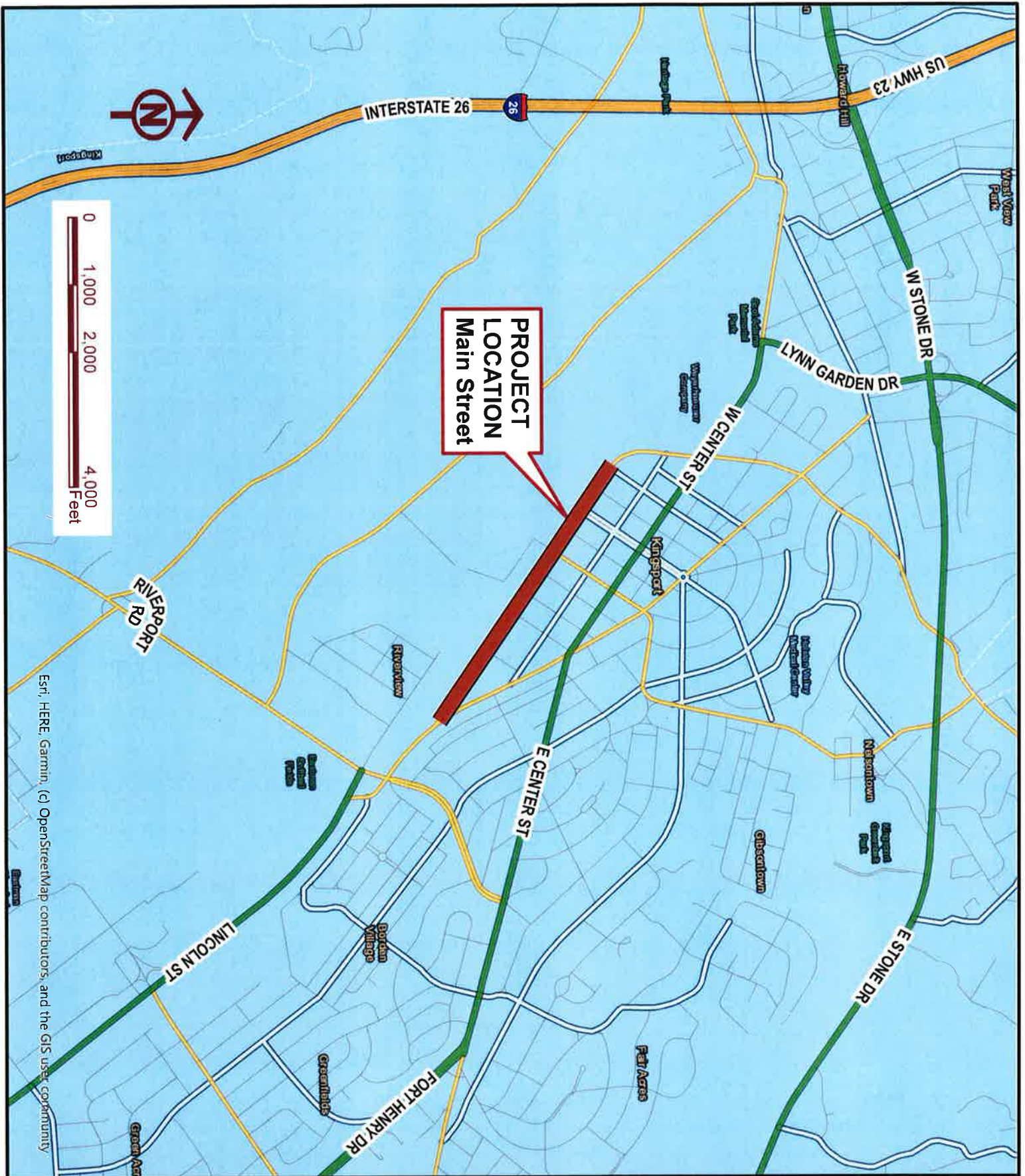
1. Listing of Offers
2. Project Location Map

Funding source appropriate and funds are available: *CM*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *ST*

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

<u>Tax Map & Parcel</u>	<u>Property Owner</u>	<u>Easement Area</u>	<u>Appraised Value</u>
#046P; F-001.00	Holston Land, Inc. 500 Water Street Jacksonville, FL 32202-4423	Perm. 656 sq. ft. Temp. 476 sq. ft.	\$1,663.00 \$737.00
#046P; F-001.10	Stephen R. Grant 205 W. Main Street Kingsport, TN 37660	Perm. 155 sq. ft. Temp. 761 sq. ft. Landowner Imprv.	\$392.00 \$1,108.00 \$1,650.00
#046P; F-001.20	McKinnis & Scott 135 W. Main St, Ste. 200 Kingsport, TN 37660	Perm. 233 sq. ft. Temp. 474 sq. ft. Landowner Imprv.	\$559.00 \$711.00 \$430.00
#046P; F-002.00	Christopher & Dawn Bowen 151 E. Main Street Kingsport, TN 37660	Perm. 259 sq. ft. Temp. 1,171 sq. ft. Landowner Imprv.	\$527.00 \$1,413.00 \$910.00
#046P; C-003.00	Downtown Improvement P. O. Box 809 Kingsport, TN 37662	Perm. 6 sq. ft. Temp. 258 sq. ft. Landowner Imprv.	\$34.00 \$406.00 \$1,810.00
#046P; E-028.00	David Shivell P. O. Box 386 Kingsport, TN 37662	Temp. 162 sq. ft.	\$300.00
#046P; F-006.00	Atay, LLC P. O. Box 1817 Mt. Carmel, TN 37645	Temp. 249 sq. ft.	\$400.00
#046P; E-027.00	David Shivell P. O. Box 386 Kingsport, TN 37662	Temp. 253 sq. ft.	\$450.00
#046P; E-026.00	Wellmont Health System 1905 American Way Kingsport, TN 37660	Temp. 250 sq. ft.	\$450.00
#046P; E-025.00	OEC Systems, LLC 540 E. Main Street Kingsport, TN 37660	Temp. 251 sq. ft.	\$450.00



Project Location Map - Sullivan County, TN
Main Street Kingsport Rebuild
from Sullivan Street to Clay Street





AGENDA ACTION FORM

Terminate Memorandum of Understanding with KHRA

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

Action Form No.: AF-276-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Jessica Harmon
 Presentation By: Ken Weems

Recommendation:

Approve the Resolution.

Executive Summary:

The Board of Mayor and Aldermen, at its June 2, 2020 meeting, approved the execution of a Memorandum of Understanding between the city and the Kingsport Housing and Redevelopment Authority. The MOU allowed KHRA to assist in the administration of the Community Development Block Grant program.

The MOU states that either party may terminate the Memorandum for cause, or any other reason, with a 30-day notice to the other party. The Community Development Coordinator position has been filled, leaving the need for KHRA assistance unnecessary. KHRA has provided great assistance to the city during this period of transition.

If the resolution is approved, the MOU termination would be effective November 7, 2020.

Attachments:

1. Resolution

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

RESOLUTION NO. _____

A RESOLUTION APPROVING THE TERMINATION OF A MEMORANDUM OF UNDERSTANDING WITH THE KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY AND AUTHORIZING THE MAYOR TO EXECUTE A NOTICE OF TERMINATION AND ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE TERMINATION

WHEREAS, in June 2, 2020, the board approved a Memorandum of Understanding (MOU) with the Kingsport Housing and Redevelopment Authority (KHRA) to allow KHRA to assist in the administration of the Community Development Block Grant program; and

WHEREAS, since that time, the city has hired a Community Development Coordinator to do the administration of the program; and

WHEREAS, the MOU states in section D, "At any time, either Party may terminate the understandings and agreements contained within this Memorandum, with or without cause, upon 30 days written notice to the other Party" and

WHEREAS, the city would like to terminate the MOU and authorize the mayor to provide written notice to KHRA of the termination effective November 7, 2020.

Now therefore,

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

SECTION I. That the termination of the Memorandum of Understanding (MOU) with the Kingsport Housing and Redevelopment Authority (KHRA) allowing KHRA to assist in the administration of the Community Development Block Grant program, 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, written notice of the termination, effective November 7, 2020, of the Memorandum of Understanding (MOU) with the Kingsport Housing and Redevelopment Authority (KHRA) that allowed KHRA to assist the city in the administration of the Community Development Block Grant program, and any and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the termination of the MOU or 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 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 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 V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Ratify the Mayor's Signature Certifying Consistency with the Consolidated Plan

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

Action Form No.: AF-266-2020
 Work Session: October 5, 2020
 First Reading: N/A

Final Adoption: October 6, 2020
 Staff Work By: Jessica Harmon
 Presentation By: Ken Weems

Recommendation:

Approve Resolution.

Executive Summary:

The Greater Kingsport Alliance for Development (GKAD), which is the non-profit organization for Kingsport Housing and Redevelopment Authority is applying to receive 2020 Cares Act Emergency Solutions Grant funding from THDA. The purpose of this grant is to fund apartments and necessary utilities for homeless individuals who contract the COVID-19 virus. Currently, these individuals have no place to quarantine/isolate away from other individuals in an effort to limit the spread of the coronavirus.

In order for GKAD to apply for these funds, the City of Kingsport must certify that this proposed action is consistent with the general goals and objectives of the approved Consolidated Plan. Our most recent Consolidated Plan addresses the needs of no/low income individuals and this falls in line with that objective.

The application submittal deadline was September 30, 2020 which required the Mayor's signature. Approval of the resolution will ratify the Mayor's signature.

Attachments:

1. Resolution

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

RESOLUTION NO. _____

A RESOLUTION TO CERTIFY CONSISTENCY WITH THE CONSOLIDATED PLAN, AND TO RATIFY THE MAYOR'S SIGNATURE ON ALL DOCUMENTS NECESSARY AND PROPER TO ASSIST THE GREATER KINGSPORT ALLIANCE FOR DEVELOPMENT THROUGH THE KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY TO RECEIVE A 2020 CARES ACT EMERGENCY SOLUTIONS GRANT FROM THE TENNESSEE HOUSING DEVELOPMENT AGENCY

WHEREAS, the Greater Kingsport Alliance for Development (GKAD), which is a non-profit organization for Kingsport Housing and Redevelopment Authority, has applied to receive 2020 Cares Act Emergency Solutions Grant funding from Tennessee Housing Development Agency (THDA); and

WHEREAS, the purpose of this grant is to fund apartments and necessary utilities for homeless individuals who contract the COVID-19 virus, which currently these individuals have no place to quarantine/isolate away from other individuals in an effort to limit the spread of the coronavirus; and

WHEREAS, in order for GKAD to apply for these funds, the City of Kingsport must certify that this proposed action is consistent with the general goals and objectives of the approved Consolidated Plan, which addresses the needs of no/low income individuals and this falls in line with that objective; and

WHEREAS, the application submittal deadline was September 30, 2020, which required the mayor's signature.

Now therefore,

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

SECTION I. That the Consistency with the Consolidation Plan submitted on September 30, 2020 for a 2020 Cares Act Emergency Solutions Grant from Tennessee Housing Development Agency (THDA) to assist the Greater Kingsport Alliance for Development (GKAD), which is a non-profit organization for Kingsport Housing and Redevelopment Authority, is ratified, including the execution of the same by Mayor Patrick W. Shull.

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, all documents necessary and proper to assist the Greater Kingsport Alliance for Development (GKAD) to receive a 2020 Cares Act Emergency Solutions Grant from the Tennessee Housing Development Agency (THDA).

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

ADOPTED this the 6th of October, 2020.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY