



## **AGENDA**

### **BOARD OF MAYOR AND ALDERMEN WORK SESSION**

**Monday, November 30, 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  
Sid Cox, City Recorder/Chief Financial Officer  
David Quillin, Police Chief  
Jessica Harmon, Assistant to City Manager  
Adrienne Batara, Public Relations Director

J. Michael Billingsley, City Attorney  
Scott Boyd, Fire Chief  
George DeCroes, Human Resources Director  
Ken Weems, Planning Manager  
John Morris, Budget Director

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. Transit Study Recommendations – Chris Campbell
5. Animal Ordinance Discussion – Bart Rowlett
6. Review of Items on December 1, 2020 Business Meeting Agenda
7. Adjourn

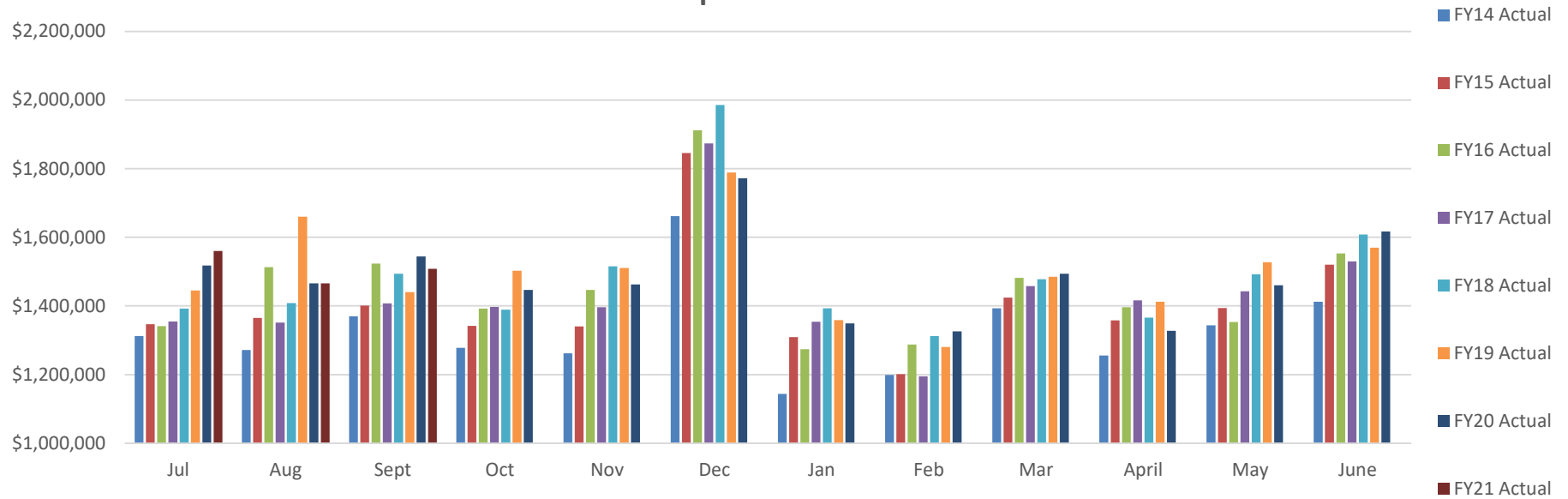
**Next Work Session December 14**

## Local Option Sales Tax 2.25%

### September 2020

| Month        | FY14<br>Actual         | FY15<br>Actual         | FY16<br>Actual         | FY17<br>Actual         | FY18<br>Actual         | FY19<br>Actual         | FY20<br>Actual         | FY21<br>Actual        | FY21<br>Budget         | FY21 Over/<br>Under Budget | FY21 Over/<br>Under Actual | FY21 Over/<br>Under- Actual % | FY20 Over/<br>Under Budget |
|--------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|----------------------------|----------------------------|-------------------------------|----------------------------|
| Jul          | \$1,312,286.16         | \$1,346,896.00         | \$1,341,027.00         | \$1,354,948.00         | \$1,392,147.27         | \$1,444,727.00         | \$1,517,710.01         | \$1,560,033.00        | \$1,356,500.00         | \$203,533.00               | \$42,322.99                | 2.79%                         | 15.00%                     |
| Aug          | \$1,271,614.00         | \$1,365,262.00         | \$1,513,366.00         | \$1,351,703.00         | \$1,408,119.00         | \$1,660,189.01         | \$1,466,245.18         | \$1,466,134.00        | \$1,369,800.00         | \$96,334.00                | (\$111.18)                 | -0.01%                        | 7.03%                      |
| Sept         | \$1,369,878.23         | \$1,401,016.99         | \$1,523,474.00         | \$1,407,707.00         | \$1,493,952.00         | \$1,440,056.00         | \$1,544,461.94         | \$1,508,122.79        | \$1,330,000.00         | \$178,122.79               | (\$36,339.15)              | -2.35%                        | 13.39%                     |
| Oct          | \$1,278,026.87         | \$1,342,308.00         | \$1,392,699.41         | \$1,397,511.00         | \$1,389,451.00         | \$1,503,032.00         | \$1,447,066.95         |                       | \$1,330,100.00         |                            |                            |                               |                            |
| Nov          | \$1,261,962.95         | \$1,340,457.40         | \$1,446,687.00         | \$1,396,643.00         | \$1,515,210.00         | \$1,510,894.40         | \$1,462,498.19         |                       | \$1,397,600.00         |                            |                            |                               |                            |
| Dec          | \$1,661,378.00         | \$1,845,794.00         | \$1,911,650.00         | \$1,873,531.00         | \$1,985,600.00         | \$1,788,766.43         | \$1,772,436.98         |                       | \$1,734,000.00         |                            |                            |                               |                            |
| Jan          | \$1,143,684.96         | \$1,309,305.00         | \$1,274,292.00         | \$1,353,575.00         | \$1,392,917.41         | \$1,358,902.17         | \$1,348,871.68         |                       | \$1,272,000.00         |                            |                            |                               |                            |
| Feb          | \$1,198,992.51         | \$1,201,182.00         | \$1,287,536.00         | \$1,194,890.00         | \$1,312,713.00         | \$1,280,154.07         | \$1,326,132.88         |                       | \$1,188,000.00         |                            |                            |                               |                            |
| Mar          | \$1,392,759.00         | \$1,424,090.00         | \$1,481,645.00         | \$1,457,518.00         | \$1,477,699.20         | \$1,484,980.00         | \$1,493,996.41         |                       | \$1,372,000.00         |                            |                            |                               |                            |
| April        | \$1,255,243.39         | \$1,357,635.00         | \$1,396,651.00         | \$1,416,452.12         | \$1,366,099.00         | \$1,412,517.03         | \$1,327,489.66         |                       | \$1,314,500.00         |                            |                            |                               |                            |
| May          | \$1,343,786.00         | \$1,393,582.00         | \$1,353,162.00         | \$1,442,889.68         | \$1,492,028.00         | \$1,527,469.00         | \$1,460,029.00         |                       | \$1,382,400.00         |                            |                            |                               |                            |
| June         | \$1,411,977.00         | \$1,520,599.00         | \$1,552,713.00         | \$1,529,681.13         | \$1,608,149.00         | \$1,571,086.24         | \$1,617,153.00         |                       | \$1,453,100.00         |                            |                            |                               |                            |
| <b>Total</b> | <b>\$15,901,589.07</b> | <b>\$16,848,127.39</b> | <b>\$17,474,902.41</b> | <b>\$17,177,048.93</b> | <b>\$17,834,084.88</b> | <b>\$17,982,773.35</b> | <b>\$17,784,091.88</b> | <b>\$4,534,289.79</b> | <b>\$16,500,000.00</b> | <b>\$477,989.79</b>        | <b>\$5,872.66</b>          | <b>0.14%</b>                  | <b>11.81%</b>              |

## Local Option Sales Tax 2.25%



# City of Kingsport

December 1, 2020

## Project Status in Pictures

### 1 Sewer Rehab Project

Crews are working to install new inflow and infiltration piping in the vicinity of Cloud Apartments and Dorothy St.

### 3 Kingsport City Hall

Crews are focused on the first and second floors, mostly framing for offices and the customer service department.

### 2 Borden Park Tennis Lights

This project is mostly complete, with crews still needing to complete minor control setting/work.

### 4 Hillcrest Tank Rehab

This project included cleaning of the tank, minor structural repairs and was repainted. Project is nearly complete.



# Status Updates on Active Projects sorted by Cost

| Estimated Cost  | Project Owner    | Project Name   | Project Description  | Completion Date | CurrentStatus   |
|-----------------|------------------|--|--|-----------------|---|
| \$13,500,000.00 | Ryan McReynolds  | <b>SR 347 (Rock Springs Road) [State &amp; MTPO funded]</b>              | 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 | <b>Main Street Rebuild</b>   | 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       | <b>West Kingsport Forcemain and Pump Station Improvements</b>            | Rehab of West Kingsport SLS (#119) and installation of new forcemain to the WWTP.  | 2/2/2021        | 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 | <b>Island Road Improvements from SR-126 to Kingsport City Limits</b>     | 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.   |
| \$2,508,812.00  | Niki Ensor       | <b>WWTP Electrical Improvements</b>                                      | 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       | TEC on site hooking up temporary power and laying out conduit   |
| \$2,500,000.00  | Michael Thompson | <b>2021 Main Road Paving (MTPO Funded)</b>                               | 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  | <b>Justice Center Renovations</b>  | 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  | <b>City Hall Relocation - Phase 2</b>                                    | Renovations of floors 1 & 2 for the consolidation of City offices to one location at 415 Broad Street.   | 2/26/2021       | Painting has started on second floor.   |
| \$1,477,741.00  | Chad Austin      | <b>Phase 5 Water Improvements</b>  | Project includes water line replacements in Fort Robinson area, Sherwood Road, Roller Street area, Gibson Mill area, and Waverly Road.   | 11/30/2021      | NTP date set as November 30, 2020.  |
| \$1,044,000.00  | Kitty Frazier    | <b>Kingsport Greenbelt Extension from Rotherwood Drive to Lewis Lane</b> | 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       | NEPA document has been submitted to TDOT and going thru their review process.   |
| \$873,345.88    | Chad Austin      | <b>2019 I &amp; I Sewer Rehab/Replacement</b>                            | 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 working in the White Street/Gibson Mill area of the project.  |

| Estimated Cost | Project Owner    | Project Name   | Project Description   | Completion Date | CurrentStatus   |
|----------------|------------------|--|---|-----------------|---|
| \$699,000.00   | Niki Ensor       | <b>Hillcrest &amp; Allandale Water Storage Tank Rehabilitation</b> | Will be a partial rehabilaion Allandale tank and a full rehabilitation of Hillcrest Tank.   | 1/3/2021        | Contractor installing Mixing System. Will need to touch up damaged paint coating on interior. Due to weather coating touch up will need to cure longere. Plan is to have tank back on line bafter Thanksgiving. |
| \$699,000.00   | Niki Ensor       | <b>Hillcrest &amp; Allandale Water Storage Tank Rehabilitation</b> | Will be a partial rehabilaion Allandale tank and a full rehabilitation of Hillcrest Tank.   | 1/3/2021        | Contracxtor installing Mixing System at Hillcrest. Tank should be back on line by end of November.  |
| \$670,291.15   | Michael Thompson | <b>Stone Drive - Phase 1 (SR 1, US 11W) Sidewalk Improvements</b>  | Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to nearPinebrook Drive where current sidewalk gaps exist. Includes work to make existing driveways ADA accessible. [95% State Funded 5% City]                                       | 5/28/2021       | Work is underway. Contractor started on Phase 2 end of project.   |
| \$461,607.00   | Michael Thompson | <b>Stone Drive - Phase 2 (SR 1, US 11W) Sidewalk Improvements</b>  | Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to Bloomingdale Pike [95% State Funded 5%]  | 5/28/2021       | Ongoing work in vicinity of intersection with Rufus Road. Grading, concrete placement, and drainage work ongoing.   |
| \$415,000.00   | Chad Austin      | <b>SR 93- Fall Branch section (TDOT)</b>                           | 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      | <b>SR 93- Horse Creek/Derby Drive Section (TDOT)</b>               | 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    | <b>Riverfront Parking Facility</b>                                 | Construction of a 23 space parking lot on the south side of Industry Drive.   | 12/12/2020      | Asphalt topping expected in early December. That will complete the project.   |

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## **AGENDA**

### **BOARD OF MAYOR AND ALDERMEN**

#### **BUSINESS MEETING**

**Tuesday, December 1, 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  
Sid Cox, City Recorder/Chief Financial Officer  
Scott Boyd, Fire Chief  
Jessica Harmon, Assistant to City Manager  
Adrienne Batara, Public Relations Director

J. Michael Billingsley, City Attorney  
David Quillin, Police Chief  
George DeCroes, Human Resources Director  
Ken Weems, Planning Manager  
John Morris, Budget Director

#### **I. CALL TO ORDER**

#### **II.A. PLEDGE OF ALLEGIANCE TO THE FLAG**

#### **II.B. INVOCATION – Pastor Scottie Burkhalter, Holy Trinity Lutheran 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**

1. Supplies for Soldiers – Angela McCamy (Mayor Shull)
2. Mark Miller TN Public Works Project of the Year Award – Miracle Field  
City will receive the award from the Branch Director, Byron Fortner, Public Works Director of Sevierville (Ryan McReynolds)

3. Cartegraph High-Performance Government Award (Ryan McReynolds)
4. SeeClickFix Demonstration (Kristen Steach)

#### **IV.B. APPOINTMENTS**

None

#### **V. APPROVAL OF MINUTES**

1. Work Session – November 16, 2020
2. Business Meeting – November 17, 2020

#### **VI. COMMUNITY INTEREST ITEMS**

##### **A. PUBLIC HEARINGS**

None

#### **COMMENT**

Citizens may speak on agenda items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non-personal in nature, and they should be limited to five minutes. A total of thirty minutes is allocated for public comment during this part of the agenda.

##### **B. BUSINESS MATTERS REQUIRING FIRST READING**

1. Budget Adjustment Ordinance for Library Governing Board Fund in FY20 (AF: 310-2020) (Chris McCartt)
  - Ordinance – First Reading

##### **C. BUSINESS MATTERS REQUIRING FINAL ADOPTION**

None

##### **D. OTHER BUSINESS**

1. Amend the Stonegate Redevelopment District Plan and Approve Tax Increment Financing for the West Gate Project (AF: 307-2020) (Chris McCartt)
  - Resolution
2. Extend Via Temporary Policy the Expiration Date of the Emergency Paid Sick Leave Act (AF: 309-2020) (Chris McCartt)
  - Resolution
3. Amendment to an Economic Development Contribution to the Industrial Development Board of Kingsport and Authorizing One or More Agreements Pertaining to the Same (AF: 301-2020) (Chris McCartt)
  - Resolution

#### **VII. CONSENT AGENDA**

1. Reject All Bid(s) Related to the Purchase of Paratransit Vans for Urban Mass Transit (AF: 304-2020) (Chris Campbell)
  - Resolution

2. Reject Bids for Property Located at 1725 Netherland Inn Road (AF: 291-2020) (Chris McCartt, Sid Cox)
  - Resolution
3. Amend the Community Development Advisory Committee (AF: 308-3030) (Jessica McMurray)
  - Resolution

#### **VIII. COMMUNICATIONS**

- A. City Manager
- B. Mayor and Board Members
- C. Report on Debt Obligation – GO Refunding Bonds, Series 2020
- D. 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, November 16, 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 (via zoom)

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

Scott Boyd, Fire Chief

John Morris, Budget Officer

George DeCroes, Human Resources Manager (via zoom)

Jessica Harmon, Assistant to City Manager

Niki Ensor, W/WW Facilities Manager

Adrienne Batara, Public Information & Communications Director

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. **MOVE TO KINGSFORT.** Jeff Fleming gave a presentation of this item, noting this was the official city relocation program. He provided information on structure, pointing out the public/private/non-profit partnership combination that has proven successful. He offered statistics and answered questions. Some discussion followed.
5. **TIF DISCUSSION.** Joel Conkin presented this item and answered several questions regarding tax increment financing the benefits it provides. He specifically addressed the future Westgate housing development. There was considerable discussion.
6. **REVIEW OF AGENDA ITEMS ON THE NOVEMBER 17, 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, November 16, 2020**

**VI.D.7 Amend Agreement with Cartegraph Systems LLC for Asset Management** (AF: 302-2020). The city manager provided details on a new city app called See, Click, Fix which will be able to act as a portal for other city activities too. He noted this was a good opportunity to take advantage of a one stop shop for citizens. Alderman Duncan asked when it would become active. Deputy City Manager McReynolds stated the marketing campaign is scheduled to begin in January.

**VII.3 Approve Supplement to Real Estate Purchase and Sale Contract with Cayenne Rental Properties, GP Pertaining to the Purchase of Real Property by the City in the Press Building** (AF: 303-2020). Mr. McCartt explained this was a housekeeping matter put in place for IRS tax credit eligibility.

**7. ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Shull adjourned the meeting at 6:26 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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PATRICK W. SHULL  
Mayor

Minutes of the Regular Business Meeting of the  
Board of Mayor and Aldermen of the City of Kingsport, Tennessee  
Tuesday, November 17, 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

City Administration  
Chris McCartt, City Manager  
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 Girl Scout Troop 463.

II.B. **INVOCATION:** Pastor Phil Whittemore, Bloomingdale Baptist Church.

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

III.B. A determination by the board that meeting electronically and limiting 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. NACWA, Peak Performance Award. Niki Ensor and Tim Maultbay were recognized for this achievement.

IV.B. **APPOINTMENTS/REAPPOINTMENTS.**

1. **Reappointments to the Board of Zoning Appeals** (AF: 196-2020) (Mayor Shull).

Motion/Second: George/Olterman, to approve:

REAPPOINTMENT OF CALVIN CLIFTON AND JEFF LITTLE TO SERVE ANOTHER THREE-YEAR TERM ON THE **BOARD OF ZONING APPEALS** EFFECTIVE IMMEDIATELY AND EXPIRING ON DECEMBER 31, 2023.

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

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen  
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**V. APPROVAL OF MINUTES.**

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

- A. November 2, 2020 Regular Work Session
- B. November 3, 2020 Regular Business Meeting

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

**VI. COMMUNITY INTEREST ITEMS.**

**A. PUBLIC HEARINGS.** None.

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

**B. BUSINESS MATTERS REQUIRING FIRST READING.** None.

**C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.**

**1. Appropriate \$20,800 from the USDOJ/Office of Justice Programs, Bulletproof Vest Partnership Funding (AF: 286-2020) (David Quillin).**

Motion/Second: Duncan/Phillips, to pass:

**ORDINANCE NO. 6905**, AN ORDINANCE TO AMEND THE GENERAL PROJECT/SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE US DEPARTMENT OF JUSTICE 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. Budget Adjustment for Various Funds in FY21 (AF: 293-2020) (Chris McCartt).**

Motion/Second: Olterman/Cooper, to pass:

**ORDINANCE NO. 6906**, 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 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 Nine (9) AWD Marked Police Pursuit Package SUVs (AF: 297-2020) (David Quillin, Steve Hightower).**

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Motion/Second: George/Duncan, to pass:

**Resolution No. 2021-088**, A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF NINE MARKED POLICE PURSUIT PACKAGE SPORT UTILITY VEHICLES 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."

**2. Bid Award for Purchase of One (1) 25-Passenger Cutaway Mini Bus** (AF: 298-2020) (Chris McCartt, Steve Hightower).

Motion/Second: Phillips/George, to pass:

**Resolution No. 2021-089**, A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE 25 PASSENGER CUTAWAY MINI BUS TO CENTRAL STATES BUS SALES 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."

**3. Release of All Claims for Direct Insurance Company and Its Insured Aaron Cook for Partial Payment for Damages to a City Fire Truck Due to a Vehicle Crash on February 25, 2020 on South John B. Dennis Highway** (AF: 238-2020) (Mike Billingsley).

Motion/Second: Adler/Phillips, to pass:

**Resolution No. 2021-090**, A RESOLUTION APPROVING A PROPERTY DAMAGE RELEASE FROM DIRECT INSURANCE COMPANY FOR PROPERTY DAMAGE TO A KINGSFORT FIRE TRUCK ON SOUTH JOHN B. DENNIS AND AUTHORIZING THE MAYOR TO EXECUTE THE RELEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RELEASE

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

**4. Bid Award for Purchase of One (1) Automated Refuse Truck** (AF: 300-2020) (Ryan McReynolds, Steve Hightower).

Motion/Second: George/Duncan, to pass:

**Resolution No. 2021-091**, A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE AUTOMATED REFUSE/RECYCLE TRUCK TO WORLDWIDE EQUIPMENT 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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**5. Amend CDM Smith's Professional Service for the Design of Water Treatment Plant (WTP) High Service Pump Station and Clearwell Improvements** (AF: 296-2020) (Ryan McReynolds).

Motion/Second: George/Cooper, to pass:

**Resolution No. 2021-092**, A RESOLUTION APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH CDM SMITH FOR THE DESIGN OF WATER TREATMENT PLANT HIGH SERVICE PUMP STATION AND CLEARWELL IMPROVEMENTS; 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."

**6. Professional Services Agreement with Barge Design Solutions, Inc. for the Reedy Creek Trunk Sewer Improvements Phase 2 Project** (AF: 269-2020) (Ryan McReynolds).

Motion/Second: Olterman/George, to pass:

**Resolution No. 2021-093**, A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH BARGE DESIGN SOLUTIONS, INC. FOR THE REEDY CREEK TRUNK SEWER IMPROVEMENTS PHASE 2 PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER 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."

**7. Amend Agreement with Cartegraph Systems LLC for Asset Management** (AF: 302-2020) (Ryan McReynolds).

Motion/Second: Duncan/George, to pass:

**Resolution No. 2021-094**, A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH CARTEGRAPH SYSTEMS, LLC TO UPGRADE TO THE SEECLICKFIX MARKETPLACE; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT; AUTHORIZING THE ESTABLISHMENT OF AN APPLE ID FOR THE CITY

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/Olterman, to adopt:

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen  
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**1. Accept Deeds and Deeds of Easement (AF: 294-2020) (Mike Billingsley).**

Pass:

**Resolution No. 2021-095**, A RESOLUTION TO ACCEPT DEEDS, DEEDS OF EASEMENT, AND OTHER MUNIMENT OF TITLE FROM THE VARIOUS PROPERTY OWNERS AND OTHERS HAVING AN INTEREST IN PROPERTY AS HEREINAFTER SET OUT, CONVEYING TO THE CITY OF KINGSFORT, A MUNICIPAL CORPORATION OF THE STATE OF TENNESSEE, TITLE TO THE PROPERTY DESCRIBED IN SUCH DEEDS, DEEDS OF EASEMENT, AND OTHER MUNIMENT OF TITLE, LOCATED IN THE 11TH, 12TH AND 14TH CIVIL DISTRICTS OF SULLIVAN COUNTY, TENNESSEE.

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

**2. Approve Agreement to Subordinate a Sewer Tap Fee Lien for Property Located Inside the City Limits at 941 Meadow Lane (AF: 299-2020) (Sid Cox).**

Pass:

**Resolution No. 2021-096**, A RESOLUTION APPROVING A SUBORDINATION AGREEMENT WITH FREEDOM MORTGAGE CORPORATION FOR LOREN PERKINS AND ANGELA HUDSON, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER 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. Approve Supplement to Real Estate Purchase and Sale Contract with Cayenne Rental Properties, GP Pertaining to the Purchase of Real Property by the City in the Press Building (AF: 303-2020) (Mike Billingsley).**

Pass:

**Resolution No. 2021-097**, A RESOLUTION APPROVING A SUPPLEMENT TO REAL ESTATE PURCHASE AND SALE CONTRACT WITH CAYENNE RENTAL PROPERTIES, GP; AUTHORIZING THE MAYOR TO EXECUTE THE SUPPLEMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE SUPPLEMENT

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

**4. Approve Policy with Voya's Reliastar for Stop Loss Insurance (AF: 305-2020) (George DeCroes).**

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Pass:

**Resolution No. 2021-098**, A RESOLUTION APPROVING A POLICY WITH RELIASTAR LIFE INSURANCE COMPANY FOR STOP LOSS INSURANCE COVERAGE AND AUTHORIZING THE MAYOR TO EXECUTE ALL AGREEMENTS FOR STOP LOSS INSURANCE AND OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RESOLUTION

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

**VIII. COMMUNICATIONS.**

- A. **CITY MANAGER.** Mr. McCartt stated there would be public meetings on Thursday at V.O. Dobbins for public input on the new skate park and the pump track. He also pointed out the Thanksgiving holiday was next week and although it may look different this year, he wished a Happy Thanksgiving to city staff.
- B. **MAYOR AND BOARD MEMBERS.** Alderman Duncan congratulated the Dobyns Bennett band for being selected for the Saint Patrick’s Day parade in 2022. He also promoted Small Business Saturday on November 28 and Downtown’s Jingle and Mingle on December 3. Lastly, Alderman Duncan stated Lamplight Theatre will be presenting Home for the Holidays through November 29. Alderman Adler pointed out that the Tennessee Achieves program is still in need of volunteers to help mentor students. She also commented on the draft of the Parks and Recreation master plan. Alderman Phillips gave an update on the new construction and development as well as the homeless shelters available as the weather gets colder. Alderman Cooper stated her appreciation for Chief Quillin’s 35 years of service as his retirement in December draws near. She also pointed out all there is to be thankful for during the upcoming holiday. Alderman Olterman congratulated the Dobyns Bennett football team for advancing to the next level in the playoffs and also wished everyone a happy Thanksgiving. Vice-Mayor George reminded everyone to unhook their water hose tonight as temperatures drop. She also encouraged everyone to shop local and be aware of visitors traveling to the area. Lastly she reminded everyone there was a lot to be thankful for and expressed her appreciation to staff. Mayor Shull stated he was thankful for the city’s great infrastructure as we surpassed the centennial mark a couple years ago. Lastly he reminded everyone he would be meeting with citizens next week and gave details on how to attend.
- C. **VISITORS.** None.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen  
of the City of Kingsport, Tennessee, Tuesday, November 17, 2020**

**IX. ADJOURN.** Seeing no other business for consideration at this meeting, Mayor Shull adjourned the meeting at 8:00 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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PATRICK W. SHULL  
Mayor



## AGENDA ACTION FORM

### Budget Adjustment Ordinance for Library Governing Board Fund in FY20

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

Action Form No.: AF-310-2020  
 Work Session: November 30, 2020  
 First Reading: December 1, 2020

Final Adoption: December 15, 2020  
 Staff Work By: Morris  
 Presentation By: McCartt

### Recommendation:

Approve the Ordinance.

### Executive Summary:

This ordinance increases the Library Governing Board Fund budget by appropriating \$9,471 in fund balance to cover reclassified expenses.

### 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: *JK*

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

# PRE-FILED CITY RECORDER

ORDINANCE NO.

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

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

SECTION I. That the Library Governing Board Fund budget be amended by appropriating \$9,471 from fund balance to the Electric Service line (137-4540-474.20-30) in the amount of \$5,795 and to the Library Programs Supplies line (137-4540-474.30-39) in the amount of \$3,676.

| <u>Account Number/Description:</u>                       | <u>Budget</u> | <u>Incr/&lt;Decr&gt;</u> | <u>New Budget</u> |
|--|---------------|--------------------------|-------------------|
| <b><u>General Projects-Special Revenue Fund: 137</u></b> |               |                          |                   |
| <b><u>Revenues:</u></b>                                  | \$            | \$                       | \$                |
| 137-0000-392.01-00 Fund Bal Appropriations               | 13,275        | 9,471                    | 22,746            |
| <b>Totals:</b>   | <b>13,275</b> | <b>9,471</b>             | <b>22,746</b>     |
|  |               |                          |                   |
| <b><u>Expenditures:</u></b>                              | \$            | \$                       | \$                |
| 137-4540-474.20-30 Electric Service                      | 37,723        | 5,795                    | 43,518            |
| 137-4540-474.30-39 Library Programs Supplies             | 16,259        | 3,676                    | 19,935            |
| <b>Totals:</b>   | <b>53,982</b> | <b>9,471</b>             | <b>63,453</b>     |

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 Stonegate Redevelopment District Plan and Approve Tax Increment Financing for the West Gate Project**

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

Action Form No.: AF-307-2020  
 Work Session: November 30, 2020  
 First Reading: N/A

Final Adoption: December 1, 2020  
 Staff Work By: Jessica Harmon  
 Presentation By: Chris McCartt

#### **Recommendation:**

Approve the Resolution.

#### **Executive Summary:**

The Board of Mayor and Aldermen has previously approved the *Redevelopment Plan for Identified Districts and Study Areas*, as prepared by the Kingsport Housing and Redevelopment Authority, and various amendments over the years. The Stonegate Redevelopment District was one of the original three districts approved back in 2002. At the center of the district is the site of the former Wal-Mart retail store which serves as a blighting influence on the surrounding residential property. The site has sat vacant for over 18 years with little-to-no interest in redevelopment of the property.

The request is for approximately \$1,200,000 in increment financing for the completed project over 15 years. The project includes 90 units along with some sidewalk, street lighting and right-of-way improvements. Each single family unit is estimated to sell for a value of \$215,000-\$265,000. According to the Sullivan County Property Assessor, the new estimated land and improvement value is \$16,676,832. Base city taxes on the unimproved property as it stands today are \$11,587.33. Full build out would result in an available increment of \$85,734.61. A 35% hold back for both the city and county as well as the respective debt service requirements are set aside and not part of the TIF amount. Once the debt service set aside and the 35% hold back is accounted for, new taxes available to the city would be \$44,477.93. Once the TIF has matured, taxes available to the city would be \$97,321.94.

KHRA held a public hearing on November 6, 2020 and approved the Tax Increment Financing Amendment for the West Gate project. The Sullivan County Commission approved the TIF Amendment for this project at their regular meeting on November 19, 2020.

#### **Attachments:**

1. Resolution
2. TIF Amendment
3. Map
4. TIF Amendment Estimate

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A TAX INCREMENT FINANCING  
AMENDMENT FOR THE STONEGATE PLAZA  
REDEVELOPMENT DISTRICT – WEST GATE PROJECT

WHEREAS, the board of mayor and aldermen has previously approved the *Redevelopment Plan for Core Urban Areas*, as prepared by the Kingsport Housing and Redevelopment Authority ("KHRA"), which redevelopment plan included an area in the city designated as the "Stonegate Plaza Redevelopment District;" and

WHEREAS, KHRA held a public hearing on November 6, 2020, and thereafter approved the *Stonegate Plaza Redevelopment District – West Gate Project Tax Increment Financing Amendment*, a copy of which is attached to this Resolution as Exhibit A (the "West Gate TIF Amendment"); and

WHEREAS, KHRA has recommended that the board of mayor and aldermen approve the West Gate TIF Amendment; and

WHEREAS, at its November 19, 2020, meeting the Sullivan County Commission approved the West Gate TIF Amendment; and

WHEREAS, the board of mayor and aldermen has reviewed the record of said public hearing and the West Gate TIF Amendment, including the provision therein for tax increment financing, and desires to approve the same.

Now therefore,

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

SECTION I. That the *Stonegate Plaza Redevelopment District – West Gate Project Tax Increment Financing Amendment* and the factual findings therein are hereby affirmed and adopted and the city recorder is directed to file a copy thereof as an official record of the city.

SECTION II. That the use of tax increment financing in support of a single family residential redevelopment project known as West Gate as described in the *Stonegate Plaza Redevelopment District – West Gate Project Tax Increment Financing Amendment*, a copy of which is attached to this Resolution as Exhibit A (the "West Gate TIF Amendment") is hereby approved.

SECTION III. That KHRA is hereby authorized and empowered to implement the Stonegate Plaza Redevelopment Plan and West Gate TIF Amendment on behalf of the City of Kingsport, Tennessee.

SECTION IV. That this redevelopment project requires a comprehensive approach to funding which necessitates approval of the use of tax increment financing by both the City of

Kingsport and Sullivan County, Tennessee.

ADOPTED this the 1<sup>st</sup> day of December 2020.

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PATRICK W. SHULL, MAYOR

ATTEST:

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SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

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J. MICHAEL BILLINGSLEY, CITY ATTORNEY

## EXHIBIT A

### STONEGATE PLAZA REDEVELOPMENT DISTRICT WEST GATE PROJECT TAX INCREMENT FINANCING AMENDMENT

Tax-increment financing ("TIF") is a redevelopment tool to be administered by housing and redevelopment authorities codified at Tenn. Code Ann. §§13-20-204 and 205, et. seq. The purpose of TIF is to provide an economic stimulus for blighted property in need of redevelopment. Upon adoption of this Amendment, TIF may be utilized to finance eligible redevelopment costs for a single family residential redevelopment project known as West Gate ("West Gate") to be located within the existing Stonegate Plaza Redevelopment District subject to the provisions of this Amendment. The TIF shall be administered as follows:

#### A. District History.

The Stonegate Plaza Redevelopment District was designated as a Redevelopment District by Kingsport Housing and Redevelopment Authority ("KHRA") in 2002. The Redevelopment District originally contained the former Stonegate Plaza which was a shopping center which primarily consisted of a Wal-Mart retail store along with other small businesses as tenants. Wal-Mart had vacated the property prior to 2002 and that portion of the shopping center has remained vacant since that time. The Stonegate Plaza Redevelopment District also includes an approximately 55 additional tax parcels which are primarily residential in nature. Redevelopment of the vacant shopping center area is critical to complete the transformation of the entire Redevelopment District. The Stonegate Plaza Redevelopment District is shown on the map attached as Exhibit One ("Redevelopment District"). The West Gate Project Area of the Stonegate Plaza Redevelopment District is shown on the map attached as Exhibit Two ("Project Area").

The Redevelopment District currently experiences one of the highest crime rates in the City. The asphalt area remaining on the property is dilapidated and constitutes a deleterious land use which negatively impacts the safety and welfare of the neighboring areas. Delay of the redevelopment of this site will continue to have a blighting influence on the adjacent residential areas. The use of TIF will allow the redevelopment of a site which has remained almost entirely unused in the past 20 years. The existing blight within the Project Area would be eliminated by implementation of the proposed Redevelopment Project. The presence of approximately 90 new single family homes and townhomes would boost the area schools and increase economic activity in and around the Redevelopment District. Redevelopment of this area via the proposed Project would also help alleviate the shortage of market rate entry level single family homes in the Kingsport and Sullivan County markets. Available residential ownership options are critical to assist area businesses in recruiting new employees to the area who will both work and live in Kingsport and Sullivan County.

Based on the foregoing circumstances and conditions, the Board of Commissioners of KHRA has determined that the District is blighted as defined by TCA 13-20-201 et seq. The District experiences the following conditions:

1. Long-term vacant and underutilized property.
2. Deleterious land use.
3. Blighting effect of the continued vacancy and deterioration of the property and impact to the surrounding properties including increased crime in the Redevelopment District

It is recommended that the project be redeveloped, rehabilitated and/or renovated in order to correct such blighted and deteriorated conditions.

**B. District Zoning and Land Use.**

The redevelopment of the District shall comply with the Zoning Ordinances and building codes as well as other applicable rules, laws, ordinances, codes and regulations of the City. KHRA shall also review the Plan and any redevelopment projects within the District with appropriate City agencies and officials to ensure that the Plan and the proposed redevelopment activities conform with local objectives relating to appropriate land uses, improved traffic flow, public transportation, public utilities, recreation and community facilities and other public improvements and needs. For a more complete description of the requirements and restrictions of the Zoning Ordinances of the City, reference should be made to the Ordinances themselves. This property be zoned R-3 by the City of Kingsport.

The City and KHRA will cooperate in the planning and construction of improvements to the streets, roadways, sidewalks, curbs and gutters, parking systems, lighting, landscaping and traffic signalization and control.

**C. Estimated Cost of the Project.**

The total estimated costs of all the proposed improvements to be made by Landstar Partners, LLC (the "Developer") for West Gate is \$3,891,528. The proposed improvements by the Developer include removal of the existing asphalt, grading, installations of storm water and utilities, construction of roads, installation of landscaping, lighting and other related amenities (the "Redevelopment Project"). Developer will then sell the residential lots to a home builder who will construct approximately 76 single family homes and 14 townhomes. The single family residences will be between 1800 and 2800 square feet and contain at least 3 bedrooms and 2 baths. The townhomes will be of similar size and have similar amenities. The purchase price for the residences and townhomes is currently estimated based on current construction costs to be between \$215,000 and \$265,000. The total project investment by the developer and home builder is estimated to be in excess of \$18,000,000.00.

In addition, KHRA will be paid an annual administration fee equal to five percent of the total annual tax increment revenue received by KHRA. The Project will be located upon the following three current tax parcels: Sullivan County Tax Map 045C, Control Map 045C, Group C, Parcel 041.20 and Sullivan County Tax Map 045D, Control Map 045C, Group D, Parcels 023.20 and 023.00 which are the only three tax parcel within the Project Area. The TIF shall be limited to eligible expenditures for the Redevelopment Project within the Project Area.

D. Sources of Revenue to Finance the Cost of the Project.

The primary sources of revenue to pay for the Redevelopment Project are proceeds in the amount of \$ 2,310,240.00 from a permanent loan to the Developer, Developer investment of \$ 316,160 and tax increment based debt (to be issued by the KHRA in the form of bonds, notes, or other indebtedness) in an amount not to exceed \$ 1,200,000, but in no event in an amount to exceed the estimated amount of debt that can be amortized over the 15 year increment periods which are hereby authorized by City of Kingsport (the "City") and Sullivan County, Tennessee (the "County"). Current projections suggest that the tax increment from the proposed improvements within the Project Area will be sufficient to retire this amount of indebtedness within a fifteen year amortization period for both the City and the County.

The total current property tax assessment for the Project Area is \$561,320. This results in annual property tax payments to the City in the amount of \$ \$11,587 and annual property tax payments to the County in the amount of \$ 14,425. The Redevelopment Project would result in a total estimated assessed value for property within the Project Area of \$ 4,714,525 (based on a \$18,858,102 tax appraised value) . Based on current tax rates, this would result in total estimated annual city taxes of \$97,321 and total estimated annual county taxes of \$121,163. Because Sullivan County has dedicated \$0.22 of its \$ 2.57 tax rate for repayment of indebtedness and the City of Kingsport has dedicated \$0.33 of its \$ 2.0643 tax rate for repayment of indebtedness, that portion of the increment, pursuant to Tenn. Code Ann. §§13-20-205 and 9-23-103, shall not be allocated as provided in Paragraph G below but shall be collected and paid to the respective taxing agency as all other property taxes are collected and paid. Thus, the estimated total available increment from Sullivan County taxes after the statutory debt service set aside but prior to any county holdback is \$ 97,600. The estimated total available increment from City of Kingsport taxes after statutory debt service set aside but prior to any holdback is \$ 72,029. However, this amendment provides in Paragraph G that 35% of the tax increment shall be retained by the City and County resulting in an estimated total annual available tax increment after holdbacks and KHRA administrative fees of \$ 104,746. The combined new tax revenue above the current base as a result of this Project would be \$43,297 to the County and \$38,915 for the City. A detailed calculation of these estimated projections is attached hereto as Exhibit Three. The redevelopment of the Project Area will not occur to the degree proposed without the use of tax-increment financing.

E. Amount and the Final Maturity of Bonded or other Indebtedness to be Incurred.

The amortization period for any indebtedness backed by the tax-increment revenue generated within the Project Area shall be no more than fifteen years from the date of issuance of the debt. In any event, the final maturity date of all indebtedness issued pursuant to this Amendment shall be on or before May 15, 2038. Upon retirement of all bonds, loans, or other indebtedness incurred and payable from tax-increment funds, or at such time as monies on deposit in the tax-increment fund or funds are sufficient for such purpose, all property taxes resulting from the incremental development of the project shall be retained by the appropriate taxing agency for disbursement according to law.

F. Impact of the Tax-Increment Financing Provisions Upon Taxing Agencies.

The total assessment of the City of Kingsport's real property tax base for the 2019 tax year is approximately \$ 1,878,156,270. The total assessment of Sullivan County's real property tax base for the 2019 tax year is approximately \$3,847,748,820. The current assessment of the Project Area represents 0.0002% of the City of Kingsport's property tax base and 0.000145% of the Sullivan County property tax base. The estimated assessment of the Proposed Improvements would represent 0.0025% of the current City of Kingsport tax base and 0.00122% of the current Sullivan County tax base. Based on these small percentages, the City and the County (the two taxing agencies affected by this Redevelopment Project) will not be substantially impacted financially by this tax-increment financing provision.

The development of the Redevelopment Project will result in additional residents and economic activity within the Redevelopment District. It is estimated approximately 180 total jobs could be created during the construction phase of the Redevelopment Project with a total economic impact of \$ 12,350,000 which results in significant local taxes and other revenue for local governments. In addition, the long term impact includes the addition of residents to our communities which results in significant additional local taxes and other revenue for local governments. While all these numbers rely on certain assumptions and projections, the end result of the Redevelopment Project is that a need for entry level home ownership has been met and the City and County will receive a substantial economic boost.

G. Division of Property Taxes.

Upon approval of this Amendment, the taxes levied and collected over the Project Area shall be collected by the appropriate taxing authorities in the same manner as provided by law, except that said taxes shall be divided as follows:

1. The portion of the taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property within the Project Area as of the 2020 tax year (which is the year of approval of this TIF amendment) ("Base Assessment"), shall be allocated to, and when collected,

shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which taxes of the Project Area are less than the Base Assessment and the Dedicated Taxes, there shall be allocated and paid to those respective taxing agencies only those taxes actually imposed and collected; and provided further, that, in any year or years in which the Base Assessment would be diminished solely due to a rate reduction under Title 67, Chapter 5, Part 17, of the Tennessee Code, the Base Assessment shall nevertheless be established at the amount originally determined.

2. Subject to the restraints herein and applicable law, sixty five percent (65%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid into a special fund or funds of KHRRA to pay the administration fee and to pay the principal of and interest on any bonds, loans or other indebtedness incurred or to be incurred by KHRRA to finance or refinance, in whole or in part, eligible redevelopment expenses of the Redevelopment Project contemplated by the Redevelopment Plan, and such other expenses as may be allowed by law. The remaining thirty five percent (35%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid to the respective taxing agencies in the same manner as taxes on all other property are paid.

3. Upon retirement of all bonds, loans or other indebtedness incurred by KHRRA and payable from such special fund or funds, or at such time as monies on deposit in such special fund or funds are sufficient for such purpose, all taxes levied each year in excess of the Base Assessment and Dedicated Taxes shall, when collected, be paid to the respective taxing agency as taxes levied by such taxing agencies on all other property are paid, and KHRRA shall give notice to all affected taxing agencies of such retirement. Excess taxes beyond amounts necessary to fund or reserve for eligible expenditures may be applied to principal and interest of debt incurred to finance such eligible expenditures or shall revert to the taxing agency general fund. In any event, the division of property taxes required by this document shall not continue for any tax year beyond 2037.

#### H. Property Tax Assessments and Collection.

1. The appropriate assessor shall, in each year during the period in which taxes are to be allocated to KHRRA pursuant to Paragraph G, compute and certify the net amount, if any, by which the current assessed value of all taxable property located within the Project Area which is subject to taxation by the particular taxing agency exceeds the base assessment. The net amount of any such increase is referred to in this subdivision as the incremental value for that particular year.

2. In any year in which there exists a tax increment to be allocated to KHRRA, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the assessor shall extend the aggregate tax rate of such taxes against

the Base Assessment and the incremental value and shall apply the taxes collected there from as provided herein.

3. If in any year property comprising a portion of the Project Area shall be removed from the tax rolls of a taxing agency, the Base Assessment for the Project Area shall be reduced by the amount of the Base Assessment allocable to the property so removed for each subsequent year in which taxes are to be allocated to a particular authority pursuant to the above provisions.

I. Documentation for Assessor's Office.

Upon approval of this Amendment, KHRA shall transmit to the assessor of property and the chief financial officer for each taxing agency affected, a copy of the description of all land within the Project Area (including tax parcel numbers), the date or dates of the approval of the redevelopment plan or amendment thereto, a copy of the resolution approving the redevelopment plan or approving an Amendment thereto, a map or plat indicating the boundaries of such property and the Base Assessment with respect to the Project Area, and taxes shall thereafter, when collected, be allocated and paid in the manner provided herein.

J. Excluded Taxes.

Notwithstanding anything to the contrary in this section, taxes levied upon property subject to tax-increment financing provisions by any taxing agency for the payment of principal of and interest on all bonds, loans or other indebtedness of such taxing agency, and taxes levied by or for the benefit of the State of Tennessee (herein "Dedicated Taxes"), shall not be subject to allocation as provided in Paragraph G but shall be levied against the property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.

K. Interpretation.

This tax-increment financing amendment is being proposed pursuant to *Tenn. Code Ann. § 13-20-201, et. seq.* and *Tenn. Code Ann. § 9-23-101, et. seq.* and all relevant provisions are hereby incorporated herein by reference. All provisions of this Amendment shall be construed in a manner consistent with said Code sections.

L. Conditions of Tax Increment.

KHRA shall enter into a redevelopment agreement with Developer which requires Developer to pursue and complete the Redevelopment Project in a diligent manner, and in accordance with plans and specifications approved by KHRA including provisions that obligate the Developer to construct or cause the construction of the residences and townhomes as set forth in this plan. The redevelopment agreement to be entered into between KHRA and Developer shall contain such terms as KHRA believes reasonably necessary to accomplish this purpose.

## EXHIBIT ONE

### MAP OF STONEGATE PLAZA REDVELOPMENT DISTRICT

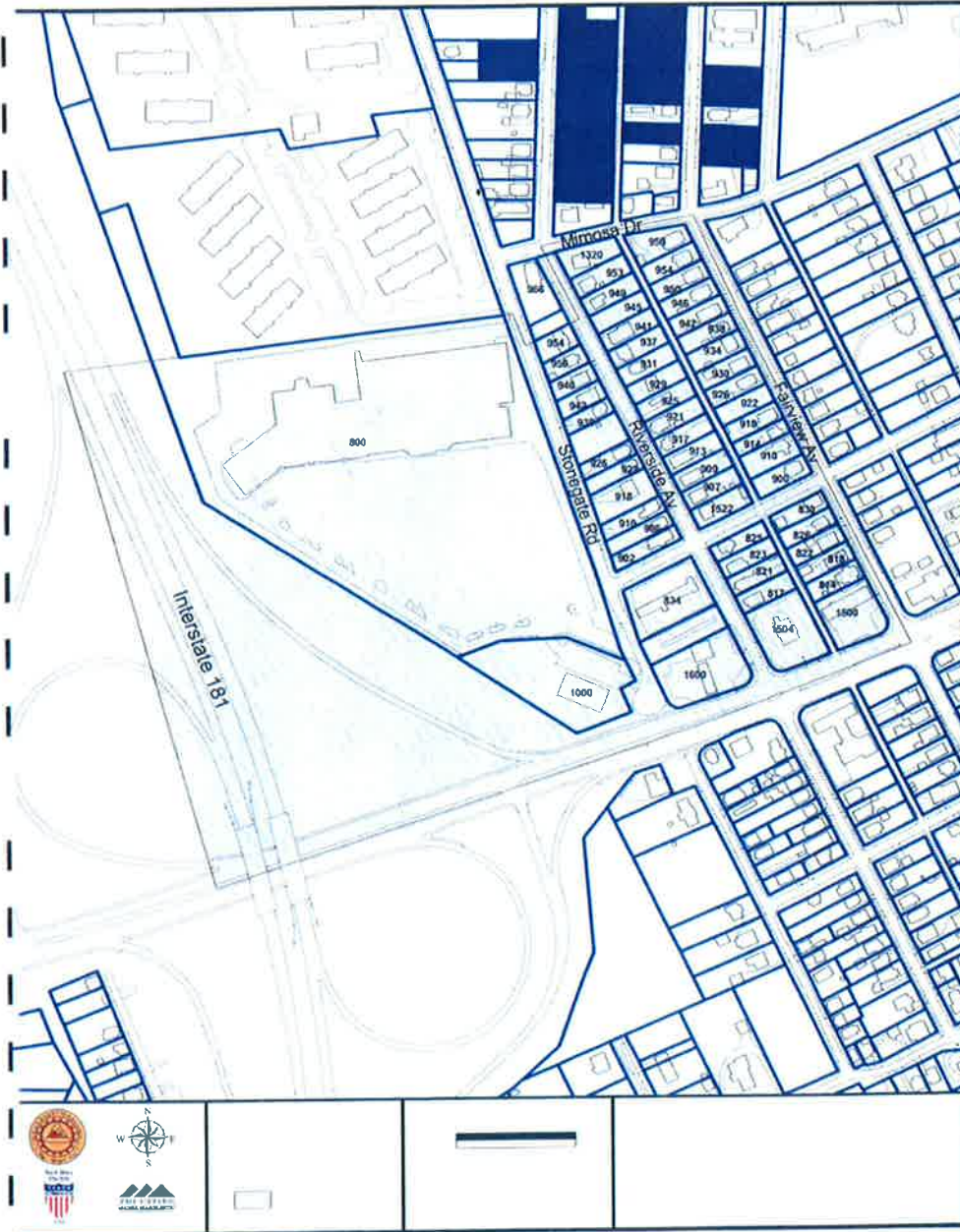


EXHIBIT TWO

MAP OF STONEGATE PLAZA REDVELOPMENT DISTRICT  
WEST GATE PROJECT AREA



**EXHIBIT THREE**

**TIF ESTIMATE  
WEST GATE PROJECT AREA  
STONEGATE PLAZA  
REDEVELOPMENT DISTRICT**

| <b>TIF CALCULATION<br/>STONEGATE</b>          |                |                         |             |
|---|----------------|-------------------------|-------------|
|   |                |                         |             |
|   |                |                         |             |
|   |                |                         |             |
|   |                |                         |             |
| Total Original Assessed Base Value            | \$561,320.00   |                         |             |
| County Tax Rate                               | 2.57           |                         |             |
| City Tax Rate                                 | 2.0643         |                         |             |
| Total New Assessed Value                      | \$4,714,525.00 |                         |             |
| County Debt Service Rate                      | .22            |                         |             |
| City Debt Service Rate                        | .33            |                         |             |
| Total County Taxes                            | \$121,163.29   |                         |             |
| Base County Taxes                             | \$14,425.92    |                         |             |
| County Increment                              | \$106,737.37   |                         |             |
| County Debt Service Set Aside                 | \$9,137.05     |                         |             |
| Available County Increment after Debt Service | \$97,600.32    | County Hold Back Amount | \$34,160.11 |
| County Increment after 35% Holdback           | \$63,440.21    |                         |             |
| County Increment after Admin Fee              | \$60,268.20    |                         |             |
| Total City Taxes                              | \$97,321.94    |                         |             |
| Base City Taxes                               | \$11,587.33    |                         |             |
| Proposed City Increment                       | \$85,734.61    |                         |             |
| City Debt Service Set Aside                   | \$13,705.58    |                         |             |
| Available City Increment after Debt Service   | \$72,029.03    | City Hold Back Amount   | \$25,210.16 |
| City Increment after 35% Holdback             | \$46,818.87    |                         |             |
| City Increment after Admin Fee                | \$44,477.93    |                         |             |
|   |                |                         |             |

|   |  |                     |  |  |
|---|--|---------------------|--|--|
| <b>Total City and County<br/>Increment available for Debt<br/>Service</b> |  | <b>\$104,746.12</b> |  |  |
|   |  |                     |  |  |



## AGENDA ACTION FORM

### **Extend Via Temporary Policy the Expiration Date of the Emergency Paid Sick Leave Act**

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

Action Form No.: AF-309-2020  
 Work Session: November 30, 2020  
 First Reading: N/A

Final Adoption: December 1, 2020  
 Staff Work By: Committee  
 Presentation By: McCartt

#### **Recommendation:**

Approve the Resolution.

#### **Executive Summary:**

COVID-19 continues to adversely impact thousands of Tennesseans on a daily basis. Among these individuals are city employees who like many Americans are faced with the financial impact of missing work if possible exposure to or contraction of the virus dictates that they be quarantined or isolated.

On March 18<sup>th</sup>, 2020, the "Families First Coronavirus Response Act" was enacted which among other benefits and protections afforded employees with 80 hours of emergency paid sick leave if certain criteria were met. This emergency paid sick leave will expire on December 31, 2020, absent congressional action to extend the deadline.

In order to assist employees who may be adversely impacted financially due to quarantine or isolation, and in an effort to ensure a safe and healthy workplace, the temporary policy adopted by this resolution would extend the expiration date of the "Emergency Paid Sick Leave Act" until the expiration of the Governor's declaration of emergency or June 1, 2021, whichever is sooner. All other provisions of the act would remain the same which includes the total of 80 hours emergency paid sick leave available and the conditions which govern eligibility for the emergency paid sick leave. The policy does not pertain to the Expanded Family Medical Leave Act which will expire on December 31, 2020.

#### **Attachments:**

1. Resolution
2. Temporary Policy to Extend Emergency Paid Sick Leave

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION TO EXTEND VIA TEMPORARY POLICY THE EXPIRATION DATE OF THE EMERGENCY PAID SICK LEAVE ACT CREATED BY THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT AND TO FIX THE EFFECTIVE DATE OF THIS RESOLUTION

WHEREAS, the novel coronavirus known as SARS-CoV-2 was detected in the United States on January 20, 2020, and as a result on January 31, 2020, the United States Secretary of Health and Human Services declared a public health emergency due to the infectious nature and debilitating effects caused by the novel coronavirus, and;

WHEREAS, on March 13, 2020, the President of the United States issued a proclamation declaring a national emergency based on the COVID-19 outbreak in the United States, and;

WHEREAS, the first case of coronavirus was detected in Tennessee on March 5, 2020, and on March 12, 2020, Governor Bill Lee declared a state of emergency to facilitate the treatment and containment of COVID-19, and;

WHEREAS, on March 18, 2020, the President signed into law the “Families First Coronavirus Response Act”, which, under the “Emergency Paid Sick Leave Act”, required employers to provide 80 hours of paid sick time to employees unable to telework in instances where the employee was required to quarantine or isolate under certain qualifying conditions related to COVID-19, and;

WHEREAS, COVID-19 continues to be a significant threat as evidenced by the increase in the number of new infections, hospitalizations, and deaths; and the effects of which still adversely impact employees who have been or may have been exposed to the virus or have contracted the virus, and;

WHEREAS, declarations of emergency remain in effect at both the national and state level, and;

WHEREAS, the Emergency Paid Sick Leave Act is set to expire on December 31, 2020, however, employees continue to be adversely impacted by COVID-19 and require leave due to mandatory quarantine or isolation as a result of possible exposure to or contraction of COVID-19, and;

WHEREAS, in order to assist employees, and in an effort to contain the spread of COVID-19, the city has decided to voluntarily extend the December 31, 2020, expiration date for the emergency paid sick leave until the expiration of Governor Lee’s declaration of emergency or June 1, 2021, whichever occurs sooner.

Now therefore,

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

SECTION I. That the board hereby adopts a temporary personnel policy effective January 1, 2021, which extends the expiration of the Emergency Paid Sick Leave Act until the expiration of Governor Lee’s declaration of emergency or June 1, 2020, whichever occurs sooner.

SECTION II. That all other aspects of emergency paid sick leave shall be dictated by the Emergency Paid Sick Leave Act, which includes, but is not limited to, the total of 80 hours of available leave and the conditions that qualify an employee for the use of emergency paid sick leave.

SECTION III. That this resolution shall have no effect upon the Expanded Family Medical Leave Act which will expire on December 31, 2020, unless otherwise extended by federal law.

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 1<sup>st</sup> day of December, 2020.

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PATRICK W. SHULL  
Mayor

ATTEST:

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SIDNEY H. COX  
City Recorder

APPROVED AS TO FORM:

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J. MICHAEL BILLINGSLEY  
City Attorney

**CITY OF KINGSPORT  
PERSONNEL POLICIES**

**Subject:      Temporary Policy to  
                 Extend Emergency  
                 Paid Sick Leave**

**Effective Date: January 1, 2021**

**Resolution No:**

---

**Policy**

It is the policy of the City of Kingsport to extend the emergency paid sick leave created under “Families First Coronavirus Response Act”. Currently the leave afforded will expire on December 31<sup>st</sup>, 2020. Due to the ongoing impacts of COVID-19 which requires employees to quarantine or isolate when potentially exposed to or infected with the coronavirus employees may continue to utilize any of the 80 hours of leave still available to them until Governor Lee’s executive order expires or June 1, 2021, whichever occurs first.

**Applicability**

Employees may utilize paid sick time under the same conditions set forth in the “Emergency Paid Sick Leave Act”. This policy only extends the period of time in which to utilize the emergency paid sick leave and does not alter or amend any of the other terms and conditions contained within the act.



## AGENDA ACTION FORM

### Amendment to an Economic Development Contribution to the Industrial Development Board of Kingsport and Authorizing One or More Agreements Pertaining to the Same

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

Action Form No.: AF-301-2020  
 Work Session: November 30, 2020  
 First Reading: N/A

Final Adoption: December 1, 2020  
 Staff Work By: McCart/Billingsley  
 Presentation By: McCart

#### Recommendation:

Approve the Resolution.

#### Executive Summary:

In December of 2013 the Industrial Development Board of Kingsport (aka. Kingsport Economic Development Board or KEDB) purchased a portion of the property owned by General Shale, see attached property map. During that same time the Kingsport BMA approved a resolution authorizing a contribution agreement, should it be needed, in the amount of \$4.0 million which was the amount of the loan/line of credit issued to KEDB. In addition to the purchase of the property, which was \$2,770,000, additional funding was used to demolish the structures located on the site in order to prepare it for future development. The present loan balance is \$3,289,320.21.

At the October 27, 2020 KEDB meeting a motion was made and approved to amend the current loan (\$4.0m) with First Horizon at a fixed rate of 2.15% for an additional 36 months with no early principal payment penalties. The plan is to restructure the loan once the portion identified for residential development is sold. Approval of this action form will replace the resolution approved by the BMA in December 2013 as it pertains to this matter. The new resolution will provide a contribution agreement, should it be needed, in the amount of \$4.0 million.

In the event loan payments are not made, the resolution provides that the city agrees to make a contribution to KEDB, if needed, for economic or industrial development.

#### 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: *CM*

|          | <u>Y</u> | <u>N</u> | <u>O</u> |
|----------|----------|----------|----------|
| Adler    | —        | —        | —        |
| Cooper   | —        | —        | —        |
| Duncan   | —        | —        | —        |
| George   | —        | —        | —        |
| Otteman  | —        | —        | —        |
| Phillips | —        | —        | —        |
| Shull    | —        | —        | —        |

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT CONTRIBUTION AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, in December, 2013, the board approved a resolution authorizing the mayor to sign an economic development agreement authorizing a contribution to the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) for a portion of the property owned by General Shale.; and

WHEREAS, since that time, KEDB has requested from First Horizon Bank a 90 day extension to the existing construction loan; and

WHEREAS, as a result of this extension, the city needs to extend the above referenced contribution agreement for the same period of time.

Now therefore,

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

SECTION I. That an amendment to the contribution agreement with the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) for property it owns formerly owned by General Shale Brick, 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, an amendment to the contribution agreement with the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) for property it owns formerly owned by General Shale Brick, Inc. and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said amendment being generally as follows:

**FIRST AMENDMENT TO CONTRIBUTION AGREEMENT**

THIS FIRST AMENDMENT TO CONTRIBUTION AGREEMENT, dated December 30, 2020, is made by and between THE CITY OF KINGSPORT, TENNESSEE, a municipal corporation of the State of Tennessee ("City"), and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a corporation organized under T.C.A. § 7-53-101 et seq., commonly known as the "Kingsport Economic Development Board" ("KEDB").

**RECITALS:**

A. KEDB has previously acquired certain real property owned by General Shale Brick, Inc. consisting of approximately 98 acres designated on the Sullivan County Tax Assessor's Tax Maps as Tax Parcel 009.00 of Group F on Map 046P, City of Kingsport, 11th Civil District of Sullivan County, Tennessee (the "Property"), and has held the Property for development (the "Project").

B. To finance KEDB's acquisition of the Property and development of the Project, First Horizon Bank's predecessor, First Tennessee Bank National Association (herein "First Horizon Bank") provided a loan to KEDB in the principal amount of \$4,000,000 (the "Acquisition and Development Loan").

C. To assist KEDB in economic development, including the acquisition of the Property and the pursuit of the Project, the City has previously entered into a Contribution Agreement dated December

20, 2013 whereby the City agreed to assist KEDB in economic development by making certain payments for up to seven years as economic development contributions to KEDB (the "Contribution Agreement").

D. The Acquisition and Development Loan will mature on December 30, 2020 and First Horizon Bank has agreed to renew and extend the Loan subject to KEDB being able to demonstrate continued financial support from the City.

E. The Board of Mayor and Aldermen of the City has adopted Resolution No. 2020-\_\_\_\_\_ whereby the City will make certain payments for up to three (3) years as continued economic development contributions to KEDB, as set out herein.

F. The parties desire to execute this First Amendment to Contribution Agreement to satisfy the terms and conditions of the Resolution and the requirements of First Horizon Bank.

NOW, THEREFORE, in consideration of the foregoing premises, and in consideration of the parties' mutual covenants and undertakings set forth herein below, the City and KEDB do hereby mutually agree and contract with each other as follows:

1. **Renewal and Extension of Acquisition and Development Loan.** The City hereby acknowledges and agrees that, pursuant to KEDB's \$4,000,000 Renewal and Extension Promissory Note dated December 30, 2020, First Horizon Bank will renew and extend the Acquisition and Development Loan for a period of three years at a fixed rate of 2.15%, with a maturity date of December 30, 2023. Interest will be due and payable semi-annually beginning June 1, 2021 and December 1, 2021 and on each succeeding June 1 and December 1 thereafter, with all principal due and payable at maturity on December 30, 2023.

2. **Contribution Commitments by the City of Kingsport.**

(a) To support KEDB's acquisition and development of the Property and its ability to pay the debt service due under the Loan, the City hereby agrees to provide to KEDB contributions for economic development, beginning with the City's 2020-2021 fiscal year, in semi-annual contributions of \$43,000.00 each for three (3) years beginning on June 1, 2021 and December 1, 2021 and on each succeeding June 1 and December 1 thereafter. KEDB agrees to use such contributions to pay the interest payments due under the Loan from time to time.

(b) KEDB shall use all net proceeds realized from the sale of any portion of the Property to repay principal due under the Acquisition and Development Loan; provided, however, KEDB acknowledges that the City is not obligated to pay KEDB for the transfer of a portion of the Property by KEDB to the City for recreational use (the exact boundaries and acreage of such recreational area to be mutually determined by KEDB and the City).

(c) KEDB shall use all net proceeds realized from the lease of all or any portion of the Property to pay the interest payments due under the Acquisition and Development Loan from time to time.

(d) In the event a principal balance remains outstanding under the Acquisition and Development Loan at maturity, the City shall either: (i) purchase the Property (or the balance of the Property) from KEDB for a purchase price equal to the outstanding principal balance and any accrued interest then owed on the Loan, or (ii) provide an economic development contribution to KEDB in an amount sufficient to pay the outstanding principal balance and any remaining accrued interest then owed on the Acquisition and Development Loan. In either event, KEDB shall use such funds to retire the remaining balance of the Acquisition and Development Loan in full.

(e) Notwithstanding any other provision herein, the City's obligation to make such economic development contributions shall terminate when the Acquisition and Development Loan is paid in full.

3. **Security Interest and Pledge.** The City acknowledges and agrees that KEDB has heretofore assigned, pledged and granted to Lender a security interest in KEDB's rights under this Agreement as collateral for the Acquisition and Development Loan, and the City further agrees that Lender, as the assignee, pledgee and holder of such security interest, shall be entitled to enforce KEDB's rights under the Contribution Agreement and to apply the monies payable by the City under the Contribution Agreement toward the monies due under the Acquisition and Development Loan from time to time. In the event there is a default under the Acquisition and Development Loan, Lender shall be entitled to apply the proceeds so realized to satisfy the indebtedness under the Acquisition Loan and the Acquisition and Development Loan in such order and allocation as Lender may determine.

4. **No Personal Liability.** No member, director, officer, commissioner, elected representative, or employee, past, present or future, of the City, or KEDB, or any successor body, shall have any personal liability for the performance of any obligations of the City or KEDB, respectively, under this Agreement.

5. **Applicable Law.** This Agreement is made as a Tennessee contract and shall be construed and applied according to the laws of the State of Tennessee.

6. **No Other Amendments.** Except as set forth herein, there are no other amendments to the terms of the Contribution Agreement as originally executed.

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

[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 1st day of December, 2020.

\_\_\_\_\_  
PATRICK W. SHULL, MAYOR

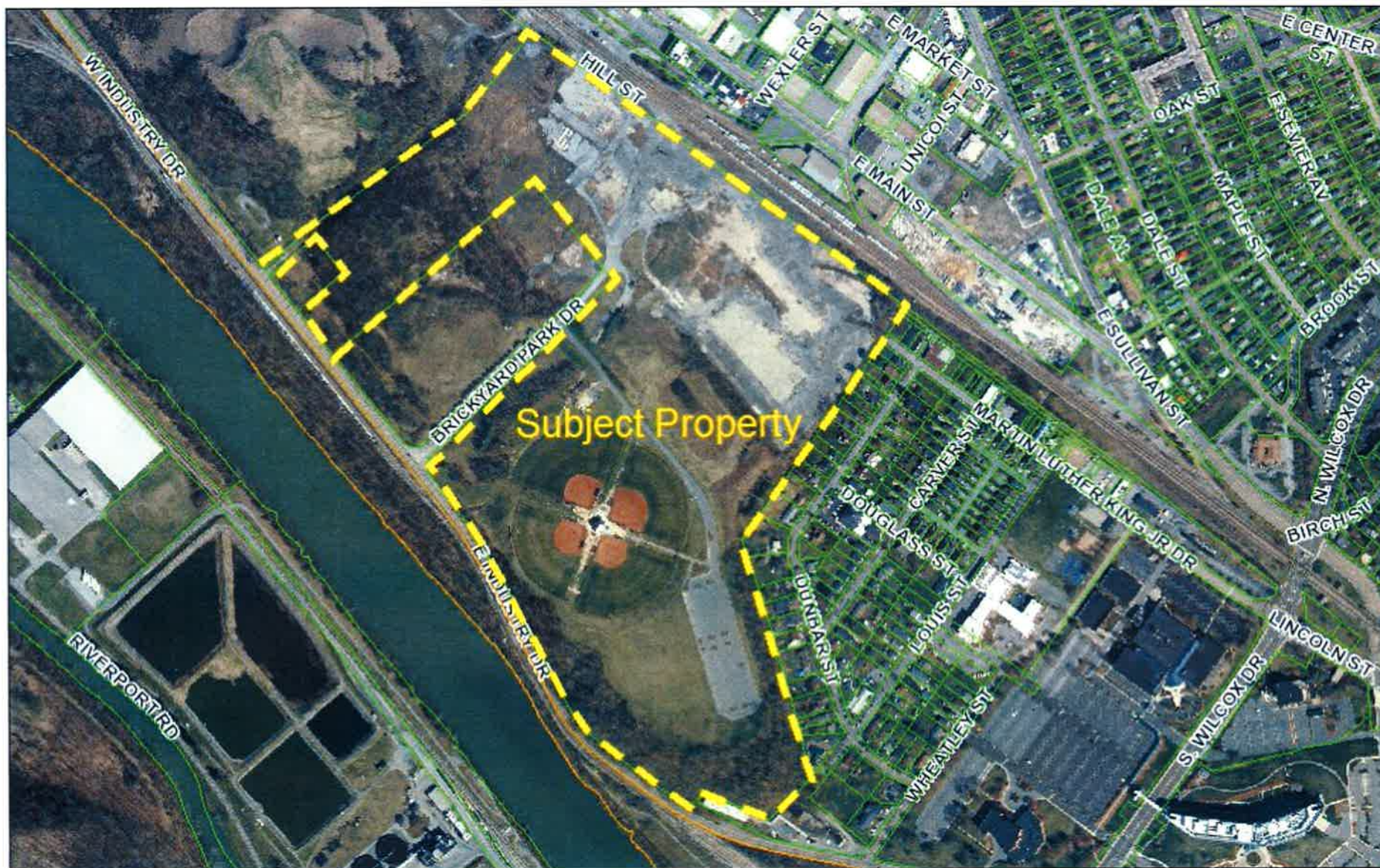
ATTEST:

\_\_\_\_\_  
SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

## KEDB Property



11/24/2020, 11:39:16 AM

## Sullivan County Parcels

☐ Lake\_Pond

Parcel\_Conflict

### Parcels

Railroad ROW

River

Street\_Row

## Hawkins County Parcels

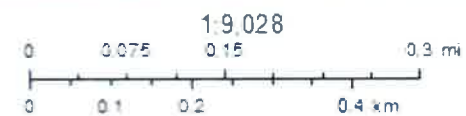
☐ Lake\_Pond

Parcel\_Conflict

### Parcels

Railroad ROW

 River

 Street ROW



## AGENDA ACTION FORM

### **Reject All Bid(s) Related to the Purchase of Paratransit Vans for Urban Mass Transit**

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

Action Form No.: AF-304-2020  
 Work Session: November 30, 2020  
 First Reading: December 1, 2020

Final Adoption: December 1, 2020  
 Staff Work By: Campbell, Hightower, Morelock  
 Presentation By: Chris Campbell

#### **Recommendation:**

Approve the Resolution.

#### **Executive Summary:**

Bids were opened on October 28, 2020 for the purchase of 5 hightop paratransit vans to be used by the Kingsport Area Transit Service (KATS). The KATS' vehicle expansion/replacement plan was to:

- add two additional vehicles to the KATS' fleet and trade-in one van (years 2020-2021 - 3 vans).
- after the vehicles were delivered in late 2021, two other vans would be traded-in and delivered the next year (2022 – 2 vans).

Upon reviewing the bid replies, it became apparent that the vendors inadvertently believed all three replacement vans would be traded-in at the same time and that the option to purchase expansion vehicles would be at a later date. This caused errors in their overall pricing and trade-in allowance. Staff recommends rejecting all recently received van bids and re-bidding to clarify the project's needs.

#### **Attachments:**

1. Resolution
2. Bid Opening Minutes

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION REJECTING ALL BIDS RELATED TO THE  
PURCHASE OF 5 HIGHTOP PARATRANSIT VANS

WHEREAS, bids were opened October 28, 2020, for the purchase of 5 hightop paratransit vans to be used by the Kingsport Area Transit Service (KATS); and

WHEREAS, upon reviewing the bid replies, it became apparent that the vendors inadvertently believed the replacement vans would be traded-in at the same time and that the option to purchase expansion vehicles would be at a later date, which caused errors in their overall pricing and trade-in allowance, and therefore the city wants to reject all bids and re-bid to clarify the projects needs.

Now therefore,

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

SECTION I. That all bids opened October 28, 2020, for the purchase of 5 hightop paratransit vans to be used by the Kingsport Area Transit Service (KATS), are rejected.

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

ADOPTED this the 1st day of December, 2020.

\_\_\_\_\_  
PATRICK W. SHULL, MAYOR

ATTEST:

\_\_\_\_\_  
SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES  
BID OPENING  
October 28, 2020  
4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Assistant Procurement Manager

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

The Procurement Manager opened with the following bids:

| HIGHTOP PASSENGER VANS              |                              |                                       |                          |                          |
|-------------------------------------|------------------------------|---------------------------------------|--------------------------|--------------------------|
| Vendor:                             | Creative Bus Sales           | Friendship Ford                       | Alliance Bus Group, Inc. | Alliance Bus Group, Inc. |
| Quantity:                           | 3                            | 3                                     | 3                        | 3                        |
| Unit Cost:                          | \$76,516.00                  | \$79,839.00                           | \$69,842.00              | \$74,743.00              |
| Trade-In #1914:                     | \$500.00                     | \$7,500.00                            | \$3,600.00               | \$3,600.00               |
| Trade-In #2370:                     | \$9,750.00                   | \$31,500.00                           | \$12,500.00              | \$12,500.00              |
| Trade-In #2371:                     | \$9,750.00                   | \$31,500.00                           | \$12,500.00              | \$12,500.00              |
| Option to Purchase Future Vehicles: | \$77,356.00                  | N/A                                   | \$69,842.00              | \$74,743.00              |
| Make/Model:                         | Drivege Ford Transit 350 DRN | 2021 Ford Transit Hightop 8 Passenger | 2021 Mobility Trans X2X  | 2021 Mobility Trans X9X  |
| Delivery Time:                      | 180 Business Days            | 190 Business Days                     | 120 Business Days        | 120 Business Days        |

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

The following bid was delivered by UPS with a tracking number at 11:38 a.m. on 10/28/20. It was sent to the incorrect City address for bids, however, since it was in the City's possession before the bid opening time, this bid will be accepted:

|                                     |  |
|-------------------------------------|--|
| Vendor:                             | Mid-South Bus Center   |
| Quantity:                           | 3  |
| Unit Cost:                          | \$84,386.00  |
| Trade-In #1914:                     | \$500.00   |
| Trade-In #2370:                     | \$15,000.00  |
| Trade-In #2371:                     | \$15,000.00  |
| Option to Purchase Future Vehicles: | Orders placed after 180 day of award will be subject to PPI on conversion and if applicable chassis price increase for year/model at time of order |
| Make/Model:                         | Drivege  |
| Delivery Time:                      | 150 Business Days  |



## AGENDA ACTION FORM

### Reject Bids for Property Located at 1725 Netherland Inn Road

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

Action Form No.: AF-291-2020  
 Work Session: November 30, 2020  
 First Reading: N/A

Final Adoption: December 1, 2020  
 Staff Work By: Sid Cox / Mike Billingsley  
 Presentation By: Chris McCartt / Sid Cox

#### Recommendation:

Approve Resolution rejecting bids.

#### Executive Summary:

The Planning Commission voted to recommend that real property located at 1725 Netherland Inn Road be declared surplus. After verifying no City Department had a need to retain the property, the City Recorder's Office declared the property surplus. The City Recorder's Office then advertised in the Times News on 10/04/2020 and accepted sealed bids on the property until October 23, 2020 @ 3:00 PM. The City received two (2) bids.

The City acquired this property in 1990 at a price of \$20,000. A recent independent appraisal conducted, valued the property at \$23,000.

Two bids were received which were substantially lower than the current property appraisal. City Staff recommends that the bids be rejected.

#### Attachments:

1. Resolution
2. Bid Opening Minutes
3. Photos
4. Appraisal

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION REJECTING ALL BIDS RELATED TO THE REAL  
PROPERTY LOCATED AT 1725 NETHERLAND INN ROAD

WHEREAS, bids were opened October 23, 2020, for offers for the sale of surplus real property located at 1725 Netherland Inn Road; and

WHEREAS, the city acquired the property in 1990 at a price of \$20,000, and a recent independent appraisal valued the property at \$23,000; and

WHEREAS, the highest bid for the property was \$5,100, which is significantly lower than the appraised value and the amount paid for the property by the city; and

WHEREAS, the recommendation is to reject all bids.

Now therefore,

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

SECTION I. That all bids opened October 23, 2020, for the sale of surplus of real property located at 1725 Netherland Inn Road are rejected, and funds in the amount of \$510 paid to the city by the apparent lower bidder as required by the terms of the offer by the bidder are to be return to the bidder in the usual course of business.

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

ADOPTED this the 1<sup>st</sup> day of December, 2020.

\_\_\_\_\_  
PATRICK W. SHULL, MAYOR

ATTEST:

\_\_\_\_\_  
SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

## CITY OF KINGSPORT - BID OPENING MINUTES

**DATE:** Friday, October 23, 2020

**TIME:** 3:00 PM ET

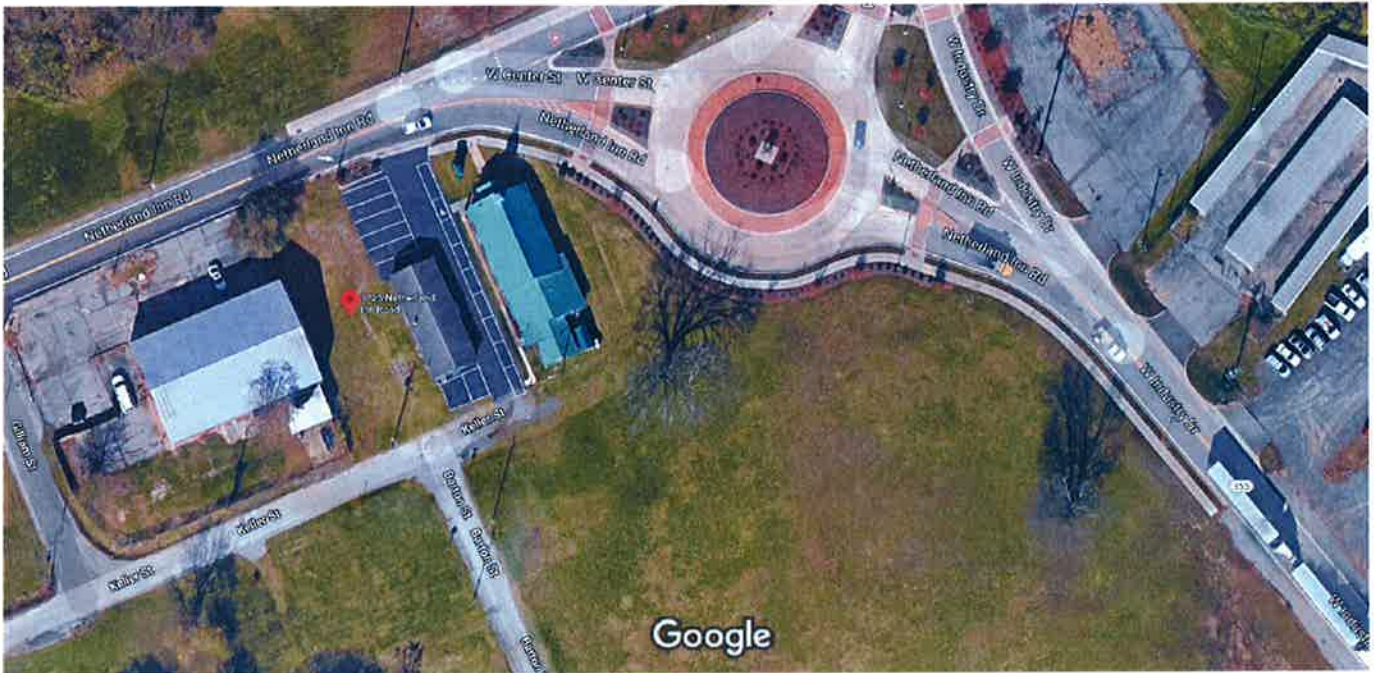
225 W. Center Street  
Kingsport, TN 37660  
Phone: (423) 229-9400

**BID ITEM DESCRIPTION:** Surplus Property - 1725 Netherland Inn Road

**ATTENDING OFFICIALS:** Sid Cox, City Recorder; Angie Marshall, City Clerk; Collette George, Vice-Mayor; Jessica Harmon, Assistant to the City Manager

| BIDDER / PARTY / ENTITY NAME         | ENVELOPE<br>PROPERLY<br>MARKED | COMPLETED<br>BID FORM | SIGNED<br>BID<br>FORM | AMOUNT OF BID | DEPOSIT<br>(CASHIER'S<br>CHECK) | COMMENTS |
|--------------------------------------|--------------------------------|-----------------------|-----------------------|---------------|---------------------------------|----------|
| Allyn Hood                           | X                              | X                     | X                     | \$5,100.00    | \$600.00                        |          |
| Barton Chapel Church - James E. Mauk | X                              | X                     | X                     | \$5,000.00    | \$500.00                        |          |
|                                      |                                |                       |                       |               |                                 |          |
|                                      |                                |                       |                       |               |                                 |          |
|                                      |                                |                       |                       |               |                                 |          |
|                                      |                                |                       |                       |               |                                 |          |
|                                      |                                |                       |                       |               |                                 |          |

## Google Maps 1725 Netherland Inn Rd



Map data ©2020, Map data ©2020 20 ft



## 1725 Netherland Inn Rd

Kingsport, TN 37660



Directions



Save



Nearby

Send to your  
phone

Share



HC2C+W7 Kingsport, Tennessee

## Photos

# Sullivan County - Parcel: 045K D 049.00



Date: October 26, 2020  
County: Sullivan  
Owner: KINGSPORT CITY OF  
Address: NETHERLAND INN RD 1725  
Parcel Number: 045K D 049.00  
Deeded Acreage: 0  
Calculated Acreage: 0  
Date of Imagery: 2019

Esri, HERE, Garmin, (c) OpenStreetMap contributors  
TN Comptroller - OLG  
TDOT  
State of Tennessee, Comptroller of the Treasury, Office of Local Government  
(OLG)

The property lines are compiled from information maintained by your local county Assessor's office but are not conclusive evidence of property ownership in any court of law.

# LAND APPRAISAL REPORT

File No. 152-20

|  |   |                                    |   |  |   |                           |   |  |                           |  |
|--|---|------------------------------------|---|--|---|---------------------------|---|--|---------------------------|--|
| <b>IDENTIFICATION</b>  | Borrower <u>N/A</u>   |                                    | Census Tract <u>0405.00</u>   |  | Map Reference <u>28700</u>  |                           |   |  |                           |  |
|  | Property Address <u>1725 Netherland Inn Rd</u>  |                                    |   |  |   |                           |   |  |                           |  |
|  | City <u>Kingsport</u>   |                                    | County <u>Sullivan</u>  |  | State <u>TN</u> Zip Code <u>37660</u>   |                           |   |  |                           |  |
|  | Legal Description <u>Block 7/Lot 4 Devault Addition</u>   |                                    |   |  |   |                           |   |  |                           |  |
| <b>NEIGHBORHOOD</b>  | Sale Price \$ <u>per sf</u>   |                                    | Date of Sale <u>N/A</u>   |  | Loan Term <u>N/A</u> yrs.   |                           |   |  |                           |  |
|  | Actual Real Estate Taxes \$ <u>Exempt</u> (yr)  |                                    | Loan charges to be paid by seller \$ <u>N/A</u>   |  | Other sales concessions <u>N/A</u>  |                           |   |  |                           |  |
|  | Lender/Client <u>City of Kingsport</u>  |                                    | Address <u>225 West Center Street</u>   |  | Instructions to Appraiser <u>Estimate Market Value of subject site as if vacant.</u>  |                           |   |  |                           |  |
|  | Occupant <u>Vacant land</u>   |                                    | Appraiser <u>F.J. Brownell III</u>  |  |   |                           |   |  |                           |  |
|  | <b>THIS IS AN APPRAISAL REPORT.</b>   |                                    |   |  |   |                           |   |  |                           |  |
|  | Location <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural   |                                    |   |  | Good Avg. Fair Poor   |                           |   |  |                           |  |
|  | Built Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%  |                                    |   |  | Employment Stability <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>      |                           |   |  |                           |  |
|  | Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input type="checkbox"/> Steady <input checked="" type="checkbox"/> Slow   |                                    |   |  | Convenience to Employment <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |                           |   |  |                           |  |
|  | Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining   |                                    |   |  | Convenience to Shopping <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>   |                           |   |  |                           |  |
|  | Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply  |                                    |   |  | Convenience to Schools <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>    |                           |   |  |                           |  |
| Marketing Time <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 4-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.   |   |                                    |   | Adequacy of Public Transportation <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |   |                           |   |  |                           |  |
| Present Land Use <u>80% 1 Family</u> <u>1% 2-4 Family</u> <u>% Apts.</u> <u>% Condo</u> <u>10% Commercial</u>  |   |                                    |   | Recreational Facilities <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>                      |   |                           |   |  |                           |  |
| <u>% Industrial</u> <u>9% Vacant</u> <u>%</u>  |   |                                    |   | Adequacy of Utilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>             |   |                           |   |  |                           |  |
| Change in Present Land Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)  |   |                                    |   | Property Compatibility <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>                       |   |                           |   |  |                           |  |
| Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>5 % Vacant</u>  |   |                                    |   | Protection from Detrimental Conditions <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>       |   |                           |   |  |                           |  |
| Single Family Price Range <u>\$ 20,000</u> to <u>\$ 200,000</u>  |   | Predominant Value <u>\$ 60,000</u> |   | Police and Fire Protection <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>        |   |                           |   |  |                           |  |
| Single Family Age <u>15 yrs. to 1910 yrs.</u>  |   | Predominant Age <u>65 yrs.</u>     |   | General Appearance of Properties <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>             |   |                           |   |  |                           |  |
|  |   |                                    |   | Appeal to Market <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>                             |   |                           |   |  |                           |  |
| Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): <u>Neighborhood includes a wide range of dwelling styles and values with multi-family and commercial use. Area is in a section of Kingsport/Sullivan County in the cycle of slow growth with no apparent adverse conditions affecting marketability. Market conditions and property values are presently stable based on information obtained from Multiple Listing market conditions data for the subject area.</u>  |   |                                    |   |  |   |                           |   |  |                           |  |
| <b>SITE</b>  | Dimensions <u>50 x 139.5</u>  |                                    | = <u>6,975</u> Sq. Ft. or Acres   |  | <input type="checkbox"/> Corner Lot   |                           |   |  |                           |  |
|  | Zoning classification <u>PVD: Planned Village District</u>  |                                    | Present Improvements <input checked="" type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations |  |   |                           |   |  |                           |  |
|  | Highest and best use <input type="checkbox"/> Present use <input checked="" type="checkbox"/> Other (specify) <u>See addendum</u>   |                                    |   |  |   |                           |   |  |                           |  |
|  | Public <input checked="" type="checkbox"/> Other (Describe) <u></u>   |                                    |   |  |   |                           |   |  |                           |  |
|  | Elec. <input checked="" type="checkbox"/>   |                                    | OFF SITE IMPROVEMENTS   |  |   |                           |   |  |                           |  |
|  | Gas <input checked="" type="checkbox"/>   |                                    | Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private                                 |  |   |                           |   |  |                           |  |
|  | Water <input checked="" type="checkbox"/>   |                                    | Surface <u>Asphalt</u>  |  |   |                           |   |  |                           |  |
|  | San. Sewer <input checked="" type="checkbox"/>  |                                    | Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private                                   |  |   |                           |   |  |                           |  |
|  | <input type="checkbox"/> Underground Elect. & Tel.  |                                    | <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter                           |  |   |                           |   |  |                           |  |
|  |   |                                    | <input type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights                                       |  |   |                           |   |  |                           |  |
|  |   | Topo <u>Level</u>                  |   | Size <u>Typical for area</u>   |   |                           |   |  |                           |  |
|  |   | Shape <u>Rectangle</u>             |   | View <u>Typical for area</u>   |   |                           |   |  |                           |  |
|  |   | Drainage <u>Adequate</u>           |   | Is the property located in a HUD identified Special Flood Hazard Area? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes       |   |                           |   |  |                           |  |
| Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): <u>See overhead view for flood area overlay.</u>   |   |                                    |   |  |   |                           |   |  |                           |  |
| <u>Subject site information is taken from tax records and assumed correct. Subject zoning includes a mixture of residential and business use.</u>  |   |                                    |   |  |   |                           |   |  |                           |  |
| The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject. |   |                                    |   |  |   |                           |   |  |                           |  |
| <b>MARKET DATA ANALYSIS</b>  | ITEM  |                                    | SUBJECT PROPERTY  |  | COMPARABLE NO. 1  |                           | COMPARABLE NO. 2  |  | COMPARABLE NO. 3          |  |
|  | Address <u>1725 Netherland Inn Rd</u>   |                                    | <u>707 E Sullivan St</u>  |  | <u>Eastman Rd</u>   |                           | <u>463-469 E Sullivan &amp; Msn</u>   |  |                           |  |
|  | <u>Kingsport, TN 37660</u>  |                                    | <u>Kingsport, TN 37660</u>  |  | <u>Kingsport, TN 37660</u>  |                           | <u>Kingsport, TN 37660</u>  |  |                           |  |
|  | Proximity to Subject  |                                    | <u>1.57 miles SE</u>  |  | <u>3.29 miles E</u>   |                           | <u>1.44 miles E</u>   |  |                           |  |
|  | Sales Price \$ <u>per sf</u>  |                                    | \$ <u>5.33</u>  |  | \$ <u>4.89</u>  |                           | \$ <u>8.49</u>  |  |                           |  |
|  | Price Sales Price   |                                    | \$ <u>72,000</u>  |  | \$ <u>89,500</u>  |                           | \$ <u>65,000</u>  |  |                           |  |
|  | Data Source   |                                    | <u>Tax records</u>  |  | <u>Tax Records</u>  |                           | <u>Tax Records</u>  |  |                           |  |
|  | Date of Sale and Time Adjustment  |                                    | DESCRIPTION <u>1/18/2017</u>  |  | DESCRIPTION <u>5/30/2019</u>  |                           | DESCRIPTION <u>2/29/2016</u>  |  |                           |  |
|  | Location  |                                    | <u>Urban/AA</u>   |  | <u>Urban/AA</u>   |                           | <u>Urban/G</u>  |  |                           |  |
|  | Site/View   |                                    | <u>6,975 sf / .16 ac</u>  |  | <u>13,708 sf / .31 ac</u>   |                           | <u>18,295sf/ .42 ac</u>   |  | <u>7,765 sf / .18 ac</u>  |  |
|  | Utility   |                                    | <u>Average</u>  |  | <u>Average</u>  |                           | <u>Average</u>  |  |                           |  |
|  | Map #   |                                    | <u>045K D 049.00</u>  |  | <u>046O H 058.10</u>  |                           | <u>047P C 054.55,56</u>   |  | <u>046O A 5 &amp; 5.5</u> |  |
|  | Zoning  |                                    | <u>B-2E</u>   |  | <u>B-3</u>  |                           | <u>B-2</u>  |  |                           |  |
|  | Sales or Financing Concessions  |                                    | <u>N/A</u>  |  | <u>N/A</u>  |                           | <u>N/A</u>  |  |                           |  |
|  | Net Adj. (Total)  |                                    | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-2.1</u>   |  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-1.95</u>  |                           | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-5.1</u> |  |                           |  |
| Indicated Value of Subject   |   | <u>Net 39.4 % \$ 3.23</u>          |   | <u>Net 39.9 % \$ 2.94</u>  |   | <u>Net 60.1 % \$ 3.39</u> |   |  |                           |  |
| Comments on Market Data: <u>Few recent, similar sales are available in the subject and/or surrounding areas thus all are over 1 mile from the subject. All three are zoned for business use. The subject zoning allows business use.</u>   |   |                                    |   |  |   |                           |   |  |                           |  |
| Comments and Conditions of Appraisal: <u>No geological investigation was undertaken or provided and that stable soil conditions are assumed. Above indicated values are per square foot and will be applied to subject area below. None of the sales have a flood hazard. Sale 3 has site size most similar to the subject and is weighed the most.</u>  |   |                                    |   |  |   |                           |   |  |                           |  |
| <b>RECONCILIATION</b>  | Final Reconciliation: <u>After considering the above information, it is the appraiser's opinion the estimated value of the subject property, as if vacant, is \$3.3 per square foot, or (\$3.3/sf x 6,975 sf), \$23,000, rounded.</u> |                                    |   |  |   |                           |   |  |                           |  |
|  | I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF <u>8/28/2020</u> to be \$ <u>23,000</u>  |                                    |   |  |   |                           |   |  |                           |  |
|  | <u>F.J. Brownell III</u>  |                                    |   |  |   |                           |   |  |                           |  |
|  | Appraiser(s) <u>F.J. Brownell III</u> Review Appraiser (if applicable) <input type="checkbox"/> Did <input type="checkbox"/> Did Not Physically Inspect Property  |                                    |   |  |   |                           |   |  |                           |  |

[Y2K]

**SCOPE OF APPRAISAL:**

As of the date of the report, F. J. Brownell, III has completed the requirements of the continuing education program of the Appraisal Institute.

The Market Value definition is Fannie Mae's definition shown below:

The most probable price a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the property is not affected by undue stimulus. Implicit in this definition is the consummation of the sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for these costs which are normally paid by seller as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these cost in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms affected by a third party institutional lender that is not already involved in the property or transaction. Any adjustments should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

Data on the subject property is obtained from various sources including, but not limited to, inspection, the buyer, the public records of Sullivan County, surveys and plans. When appropriate, more than one source may be used to confirm data and the source may be stated in the report.

If applicable, comparable sales are inspected. When possible, market data is confirmed with buyer, seller, real estate broker, appraisers or attorneys and the tax records are reviewed to confirm their information.

All three approaches to value have not been utilized. The Cost Approach and Income Approach are not applicable and the client has requested only the Sales Comparison Approach. When appropriate, the scope of the appraisal is treated in more details elsewhere in the report. Further, the reader's attention is directed to the assumptions and limiting conditions of this appraisal.

The intended use of the report is to aid the client in making a decision regarding financing.

The intended user of this appraisal is the lender/client.

The report analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.

Highest and Best Use: The subject is presently vacant land. The Highest and Best use of the site as vacant is to develop it with a wide range of business use conforming to present zoning. The logical best use of the subject property is improved with a business use.

Appraiser makes the extraordinary assumption there is no hazardous and/or toxic material's present on subject site. The appraiser's estimate of value assumes no such material is on or in the property that would cause a loss of value.

The use of an extraordinary assumption could affect the assignment results.

### Subject Photo Page

|                  |                        |        |          |       |                   |
|------------------|------------------------|--------|----------|-------|-------------------|
| Borrower         | N/A                    |        |          |       |                   |
| Property Address | 1725 Netherland Inn Rd |        |          |       |                   |
| City             | Kingsport              | County | Sullivan | State | TN Zip Code 37660 |
| Lender/Client    | City of Kingsport      |        |          |       |                   |



#### Subject Front

1725 Netherland Inn Rd  
Sales Price per sf  
Gross Living Area  
Total Rooms  
Total Bedrooms  
Total Bathrooms  
Location Urban/A  
View 6,975 sf / .16 ac  
Site  
Quality  
Age



#### Subject Street



#### Subject Street

**DEFINITION OF MARKET VALUE:**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

**STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION****CONTINGENT AND LIMITING CONDITIONS:**

The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

**APPRAISER'S CERTIFICATION:**

The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:**

If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:**1725 Netherland Inn Rd, Kingsport, TN 37660**APPRAISER:**

Signature: \_\_\_\_\_

Name: F.J.Brownell IIIDate Signed: 09/01/2020

State Certification #:

or State License #: CG 0000094State: TNExpiration Date of Certification or License: 12/20/2021**SUPERVISORY APPRAISER (only if required):**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_

State Certification #:

or State License #:

State: \_\_\_\_\_

Expiration Date of Certification or License: \_\_\_\_\_

☐ Did☐ Did Not Inspect Property

**FROM:**

F.J. Brownell & Son  
 F.J. Brownell & Son  
 2412 Fort Henry Dr  
 Kingsport, TN 37664-3708

Telephone Number: (423) 246-4147

Fax Number: (423) 246-4149

**TO:**

Telephone Number:

Fax Number:

Alternate Number:

E-Mail:

**INVOICE****INVOICE NUMBER**

152-20

**DATE****REFERENCE**

Internal Order #: 152-20  
 Lender Case #:  
 Client File #:  
 Main File # on form: 152-20  
 Other File # on form:  
 Federal Tax ID: 62-0510646  
 Employer ID:

**DESCRIPTION**

Lender: City of Kingsport  
 Purchaser/Borrower: N/A  
 Property Address: 1725 Netherland Inn Rd  
 City: Kingsport  
 County: Sullivan  
 Legal Description: Block 7/Lot 4 Devault Addition

Client: City of Kingsport

State: TN

Zip: 37660

**FEES****AMOUNT**

Appraisal

400.00

**SUBTOTAL**

400.00

**PAYMENTS****AMOUNT**

Check #: Date: Description:  
 Check #: Date: Description:  
 Check #: Date: Description:

**SUBTOTAL****TOTAL DUE****\$**

400.00

# USPAP ADDENDUM

File No. 152-20

|                  |                        |          |          |
|------------------|------------------------|----------|----------|
| Borrower         | N/A                    |          |          |
| Property Address | 1725 Netherland Inn Rd |          |          |
| City             | Kingsport              | County   | Sullivan |
| Lender           | City of Kingsport      | State    | TN       |
|                  |                        | Zip Code | 37660    |

This report was prepared under the following USPAP reporting option:

- ☒ Appraisal Report      This report was prepared in accordance with USPAP Standards Rule 2-2(a).
- ☐ Restricted Appraisal Report      This report was prepared in accordance with USPAP Standards Rule 2-2(b).

## Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: Over 6 months

The current market analysis based on information from current TNVAMLS market data indicates an average days on the market of over 6 months. The exposure time is estimated to be the same as days on market and appears to be reasonable.

## Additional Certifications

I certify that, to the best of my knowledge and belief:

- ☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.
- The statements of fact contained in this report are true and correct.
  - The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
  - Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
  - I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
  - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
  - My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
  - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
  - Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
  - Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

## Additional Comments

### APPRAISER:

Signature: F.J. Brownell III

Name: F.J. Brownell III

Date Signed: 09/01/2020

State Certification #: \_\_\_\_\_

or State License #: CG 0000094

State: TN

Expiration Date of Certification or License: 12/20/2021

Effective Date of Appraisal: 8/28/2020

### SUPERVISORY APPRAISER: (only if required)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_

State Certification #: \_\_\_\_\_

or State License #: \_\_\_\_\_

State: \_\_\_\_\_

Expiration Date of Certification or License: \_\_\_\_\_

Supervisory Appraiser Inspection of Subject Property:

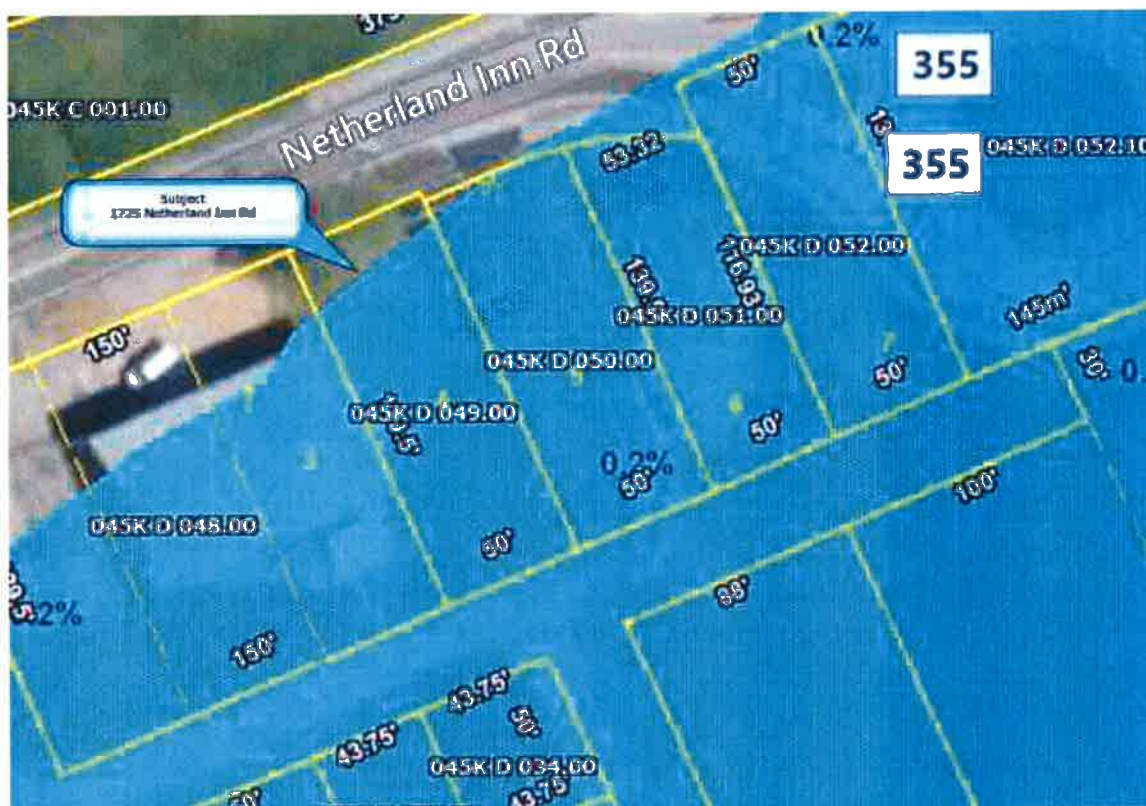
☐ Did Not    ☐ Exterior-only from Street    ☐ Interior and Exterior

## Location Map

|                  |                        |          |          |       |    |
|------------------|------------------------|----------|----------|-------|----|
| Borrower         | N/A                    |          |          |       |    |
| Property Address | 1725 Netherland Inn Rd |          |          |       |    |
| City             | Kingsport              | County   | Sullivan | State | TN |
| Lender/Client    | City of Kingsport      | Zip Code | 37660    |       |    |



## Overhead View



# Engagement Letter page 1

Page 1 of 1

[judbrownell@earthlink.net](mailto:judbrownell@earthlink.net)

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**From:** "Marshall, Angie" <AngieMarshall@KingsportTN.gov>  
**Date:** Monday, August 24, 2020 11:58 AM  
**To:** <judbrownell@earthlink.net>  
**Attach:** 1725 Netherland Inn Rd.\_property data.pdf; East Center Street.061D-F-020.00.pdf  
**Subject:** Emailing: 1725 Netherland Inn Rd.\_property data, East Center Street.061D-F-020.00

Mr. Brownell,

Per our phone conversation, I have attached the two properties that we need an appraisal on. Thank you so much for help.

**Angie Marshall, MMC**  
**TAMCAR President**  
City Clerk/Deputy City Recorder  
City of Kingsport  
P: 423-229-9384  
F: 423-224-2566  
[angiemarshall@kingsporttn.gov](mailto:angiemarshall@kingsporttn.gov)

  
**KINGSPORT**  
TENNESSEE  
225 W Center Street  
Kingsport, TN 37660  
[www.kingsporttn.gov](http://www.kingsporttn.gov)

8/24/2020



## AGENDA ACTION FORM

### Amend the Community Development Advisory Committee

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

Action Form No.: AF-308-2020  
 Work Session: November 30, 2020  
 First Reading: N/A

Final Adoption: December 1, 2020  
 Staff Work By: Jessica McMurray  
 Presentation By: Jessica McMurray

### Recommendation:

Approve the Resolution to amend Resolution No. 2021-027.

### Executive Summary:

The City of Kingsport receives federal funding through the Community Development Block Grant program administered by the Department of Housing and Urban Development. In order to keep in line with surrounding communities, the City has created a Community Development Advisory Committee by approval of Resolution No. 2021-027.

The purpose of the amendment of Resolution No. 2021-027 is to specifically define the types of memberships which serve in an advisory capacity for planning and assessment of projects proposed or undertaken with Community Development Block Grant funds.

The committee will consist of five (5) members, including one local minister, one representative of the First Tennessee Development District, one representative from the Kingsport Housing and Redevelopment Authority Board and two residents of the city serving at large. Each member represents an organization and/or serves in various roles that relate to serving the low/moderate income population of the City of Kingsport.

### Attachments:

1. Resolution

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AMENDING RESOLUTION No. 2021-027 WHICH CREATED THE COMMUNITY DEVELOPMENT ADVISORY COMMITTEE, ESTABLISHED ITS PURPOSE, AUTHORITY, MEMBERSHIP, LENGTH OF TERMS, ORGANIZATION, MEETING REQUIREMENTS, APPOINTMENT OF SUBCOMMITTEES, AND OTHER MATTERS PERTAINING TO THE COMMITTEE

WHEREAS, on August 4, 2020 the board of mayor and aldermen adopted Resolution No. 2021-027 which created the Community Development Advisory Committee and established its purpose, authority, membership, and other requirements relative to the committee; and

WHEREAS, in order to more clearly delineate the composition of the committee the board of mayor and aldermen has deemed it necessary and proper to amend Resolution 2021-027.

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

SECTION I. That Resolution 2021-027 is amended in its entirety to read as follows:

SECTION I. There is created and established the Community Development Advisory Committee, which will serve as an advisory committee to the city manager to assess the needs of the community and recommend goals and priorities for housing and community development, participate in the review of pre-applications, inform residents of the services and facilities that will be made available through the community development program, recommend a priority list of housing rehabilitation loans and grants, prepare a list of recommended projects that are suitable for funding with Community Development Block Grant or HOME Consortium funds, and report all of the same to the city manager and all of which are subject to approval by the city manager or designee, and the Community Development Advisory Committee shall have no power or authority other than to make recommendations to the city manager, as set out hereinabove.

SECTION II. The Community Development Advisory Committee shall be composed of five appointed members. All members shall be appointed by the mayor and confirmed by the Board of Mayor and Aldermen for a term of three years, except for the initial appointment or appointment as a replacement. Membership shall include one local minister, one representative of the First Tennessee Development District, one representative from the Kingsport Housing and Redevelopment Authority Board and two residents of the city serving at large. Every appointed member shall serve until their term expires or until a successor is appointed and qualifies. Provided, however, for the initial appointment of the Community Development Advisory Committee, three appointed members shall be for a term of three years and two shall be appointed for a term of three years.

SECTION III. Any appointed member with unauthorized absences from three consecutive meetings or from three regular meetings within a twelve month period shall be deemed to have resigned from the committee. A successor shall be appointed to fill the vacancy as provided in this resolution.

SECTION IV. If a vacancy occurs on the committee due to a member's death, resignation, inability or refusal to serve, or any other reason, the vacancy shall be filled for the unexpired term of such member by appointment of the Mayor and confirmation by the Board of Mayor and Aldermen.

SECTION V. The members of the Community Development Advisory Committee, by accepting appointment, shall serve without compensation and shall perform their duties for the benefit of and for the general welfare of the city and its surrounding community.

SECTION VI. After appointment, the members shall meet in regular session and shall organize themselves by electing from their number a chairperson, vice-chairperson and a secretary. Each person so elected shall hold office for one year or until a successor is elected and qualified.

SECTION VII. The Community Development Advisory Committee shall meet in regular session at least once each month, and the time and place shall be decided on by vote of the members, provided such meetings shall be in the city limits of the city. It shall be the duty of the chairperson to preside over all meetings of the committee and, in the absence of the chairperson, the vice-chairperson shall preside. The secretary shall keep the minutes and a record of all proceedings of the Community Development Advisory Committee. Any meetings, other than a regular meeting may be called by the chairperson or by any three members of the committee upon 24-hour notice to all members of the committee and the public. A quorum of the committee shall consist of three members, and official actions may be approved by a majority vote of those voting in the presence of a quorum. All meetings shall be open to the public and shall comply with the requirements set out in T.C.A. § 8-44-101 et. seq., as amended from time to time.

SECTION VIII. As needed, the Community Development Advisory Committee may, subject to the limitation of authority set out in this resolution, create subcommittees. Structure, purpose, tenure, and functions of each subcommittee shall be determined by the Community Development Advisory Committee. Subcommittee membership appointments shall be made by the committee and must include at least one Community Development Advisory Committee member.

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

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

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

ADOPTED this the 1<sup>st</sup> day of December, 2020.

---

PATRICK W. SHULL  
Mayor

ATTEST:

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SIDNEY H. COX  
City Recorder

APPROVED AS TO FORM:

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J. MICHAEL BILLINGSLEY  
City Attorney

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

| <b>1. Public Entity:</b><br>Name: <u>City of Kingsport, Tennessee</u><br>Address: <u>225 West Center Street</u><br><u>Kingsport, Tennessee 37660</u><br>Debt Issue Name: <u>\$14,925,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable)</u><br><small>If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.</small>   |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
|---|-----------------|--|--|-------------------|---|---------|-------|------------------------------------|---------|-------|------------------------------------|---------|-------|--------------------------------|---------|-------|---|-----------------|--|
| <b>2. Face Amount:</b> <u>\$ 14,925,000.00</u><br>Premium/Discount: <u>\$ 465,535.40</u>  |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>3. Interest Cost:</b> <u>1.5448 %</u> <input type="checkbox"/> Tax-exempt <input checked="" type="checkbox"/> Taxable<br><input checked="" type="checkbox"/> TIC <input type="checkbox"/> NIC<br><input type="checkbox"/> Variable: Index _____ plus _____ basis points; or<br><input type="checkbox"/> Variable: Remarketing Agent _____<br><input type="checkbox"/> Other: _____   |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>4. Debt Obligation:</b><br><input type="checkbox"/> TRAN <input type="checkbox"/> RAN <input type="checkbox"/> CON<br><input type="checkbox"/> BAN <input type="checkbox"/> CRAN <input type="checkbox"/> GAN<br><input checked="" type="checkbox"/> Bond <input type="checkbox"/> Loan Agreement <input type="checkbox"/> Capital Lease<br><small>If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Division of Local Government Finance ("LGF").</small>   |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>5. Ratings:</b><br><input type="checkbox"/> Unrated<br>Moody's <u>Aa2</u> Standard & Poor's <u>AA</u> Fitch _____  |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>6. Purpose:</b><br><table style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #f2f2f2;"> <th style="width: 40%;"></th> <th style="width: 10%;"></th> <th style="width: 50%;">BRIEF DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> General Government</td> <td>_____ %</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Education</td> <td>_____ %</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Utilities</td> <td>_____ %</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td>_____ %</td> <td>_____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refunding/Renewal</td> <td><u>100.00</u> %</td> <td><u>Refunding prior bonds for various public works projects</u></td> </tr> </tbody> </table> |                 |  |  | BRIEF DESCRIPTION | <input type="checkbox"/> General Government | _____ % | _____ | <input type="checkbox"/> Education | _____ % | _____ | <input type="checkbox"/> Utilities | _____ % | _____ | <input type="checkbox"/> Other | _____ % | _____ | <input checked="" type="checkbox"/> Refunding/Renewal | <u>100.00</u> % | <u>Refunding prior bonds for various public works projects</u> |
|   |                 | BRIEF DESCRIPTION  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <input type="checkbox"/> General Government   | _____ %         | _____  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <input type="checkbox"/> Education  | _____ %         | _____  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <input type="checkbox"/> Utilities  | _____ %         | _____  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <input type="checkbox"/> Other  | _____ %         | _____  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <input checked="" type="checkbox"/> Refunding/Renewal   | <u>100.00</u> % | <u>Refunding prior bonds for various public works projects</u> |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>7. Security:</b><br><input checked="" type="checkbox"/> General Obligation <input type="checkbox"/> General Obligation + Revenue/Tax<br><input type="checkbox"/> Revenue <input type="checkbox"/> Tax Increment Financing (TIF)<br><input type="checkbox"/> Annual Appropriation (Capital Lease Only) <input type="checkbox"/> Other (Describe): _____   |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>8. Type of Sale:</b><br><input checked="" type="checkbox"/> Competitive Public Sale <input type="checkbox"/> Interfund Loan _____<br><input type="checkbox"/> Negotiated Sale <input type="checkbox"/> Loan Program _____<br><input type="checkbox"/> Informal Bid   |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |
| <b>9. Date:</b><br>Dated Date: <u>11/20/2020</u> Issue/Closing Date: <u>11/20/2020</u>  |                 |  |  |                   |   |         |       |                                    |         |       |                                    |         |       |                                |         |       |   |                 |  |

### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

#### 10. Maturity Dates, Amounts and Interest Rates \*:

| Year | Amount          | Interest Rate | Year | Amount          | Interest Rate |
|------|-----------------|---------------|------|-----------------|---------------|
| 2021 | \$ 65,000.00    | 2.0000 %      | 2032 | \$ 1,590,000.00 | 1.7500 %      |
| 2022 | \$ 110,000.00   | 2.0000 %      |      | \$              | %             |
| 2023 | \$ 1,355,000.00 | 2.0000 %      |      | \$              | %             |
| 2024 | \$ 1,380,000.00 | 2.0000 %      |      | \$              | %             |
| 2025 | \$ 1,415,000.00 | 2.0000 %      |      | \$              | %             |
| 2026 | \$ 1,430,000.00 | 2.0000 %      |      | \$              | %             |
| 2027 | \$ 1,465,000.00 | 2.0000 %      |      | \$              | %             |
| 2028 | \$ 1,495,000.00 | 2.0000 %      |      | \$              | %             |
| 2029 | \$ 1,520,000.00 | 1.3000 %      |      | \$              | %             |
| 2030 | \$ 1,540,000.00 | 1.4500 %      |      | \$              | %             |
| 2031 | \$ 1,560,000.00 | 1.6500 %      |      | \$              | %             |

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

#### 11. Cost of Issuance and Professionals:

☐ No costs or professionals

|                                      | AMOUNT<br>(Round to nearest \$) | FIRM NAME                        |
|--------------------------------------|---------------------------------|----------------------------------|
| Financial Advisor Fees               | \$ 39,500                       | Raymond James & Associates, Inc. |
| Legal Fees                           | \$ 0                            |                                  |
| Bond Counsel                         | \$ 35,000                       | Adams and Reese LLP              |
| Issuer's Counsel                     | \$ 0                            |                                  |
| Trustee's Counsel                    | \$ 0                            |                                  |
| Bank Counsel                         | \$ 0                            |                                  |
| Disclosure Counsel                   | \$ 0                            |                                  |
| Paying Agent Fees                    | \$ 1,250                        | U.S. Bank National Association   |
| Registrar Fees                       | \$ 0                            |                                  |
| Trustee Fees                         | \$ 0                            |                                  |
| Remarketing Agent Fees               | \$ 0                            |                                  |
| Liquidity Fees                       | \$ 0                            |                                  |
| Rating Agency Fees                   | \$ 40,100                       | Moody's and Standard & Poors     |
| Credit Enhancement Fees              | \$ 0                            |                                  |
| Bank Closing Costs                   | \$ 0                            |                                  |
| Underwriter's Discount <u>1.85</u> % |                                 |                                  |
| Take Down                            | \$ 276,581                      |                                  |
| Management Fee                       | \$ 0                            |                                  |
| Risk Premium                         | \$ 0                            |                                  |
| Underwriter's Counsel                | \$ 0                            |                                  |
| Other expenses                       | \$ 0                            |                                  |
| Printing and Advertising Fees        | \$ 1,500                        | I-Deal Prospectus                |
| Issuer/Administrator Program Fees    | \$ 0                            |                                  |
| Real Estate Fees                     | \$ 0                            |                                  |
| Sponsorship/Referral Fee             | \$ 0                            |                                  |
| Other Costs                          | \$ 2,996                        | Public Finance Partners; Cusip   |
| <b>TOTAL COSTS</b>                   | <b>\$ 396,927</b>               |                                  |

### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**
☐ No Recurring Costs

Remarketing Agent  
Paying Agent / Registrar  
Trustee  
Liquidity / Credit Enhancement  
Escrow Agent  
Sponsorship / Program / Admin  
Other \_\_\_\_\_

**AMOUNT**  
(Basis points/\$)

450

FIRM NAME

(If different from #11)

U.S. Bank National Association

**13. Disclosure Document / Official Statement:**
☐ None Prepared

☒ EMMA link

<https://emma.msrb.org/P21413533-P21098432-P21507627.pdf> or

☐ Copy attached
**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?

☒ Yes

☐ No

Is there a continuing disclosure obligation agreement related to this debt?

☒ Yes

☐ No
If yes to either question, date that disclosure is due June 30Name and title of person responsible for compliance Sidney H. Cox, City Recorder/CFO**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy

11/15/2011

Is the debt obligation in compliance with and clearly authorized under the policy?

☒ Yes

☐ No
**16. Written Derivative Management Policy:**
☒ No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?

☐ Yes

☐ No
**17. Submission of Report:**

To the Governing Body:

on 11/20/2020

and presented at public meeting held on

12/01/2020Copy to Director, Division of Local Govt Finance: on 12/02/2020

either by:

☐ Mail to:

Cordell Hull Building  
425 Fifth Avenue North, 4th Floor  
Nashville, TN 37243-3400

OR

☒ Email to:
[LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)**18. Signatures:**

AUTHORIZED REPRESENTATIVE

PREPARER

Name

Patrick W. ShullCynthia M. Barnett, Esq.

Title

MayorBond Counsel

Firm

City of Kingsport, TennesseeAdams and Reese LLP

Email

PatShull@kingsporttn.govcindy.barnett@arlaw.com

Date

11/20/202011/20/2020



Finance Department  
 225 West Center Street  
 Kingsport, TN 37660-4265  
 Phone: 423/ 224-2520  
 Fax: 423/ 224-2566  
[www.kingsporttn.gov](http://www.kingsporttn.gov)

November 20, 2020

Ms. Betsy Knotts, Director  
 Division of Local Government Finance  
 425 Fifth Avenue North  
 Cordell Hull Building  
 Nashville, Tennessee 37243-1402

Main Phone Number: 615-401-7872  
 Email: [LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)

Re: City of Kingsport Refunding Plan 2020 – Reconciliation

Dear Ms. Knotts:

Pursuant to your “Report on Refunding Plan” to us dated August 28, 2020 (the “Report”), please be advised that the City’s \$14,925,000 General Obligation Refunding Bonds, Series 2020 (Federally Taxable) (the “Bonds”) were sold at competitive public sale on Monday, November 9, 2020.

In your Report, you directed that we notify your office if, prior to issuance, the actual results of any key metric were significantly different (i.e., greater or less than 10.0%) than those originally estimated in the City’s Refunding Plan.

In accordance with that requirement and with respect to the total costs of issuance, please be advised as follows:

| <u>Projected Savings</u> | <u>Actual</u> | <u>Net Difference</u> | <u>% Change</u> | <u>Reason</u>   |
|--------------------------|---------------|-----------------------|-----------------|---|
| \$1,276,325              | \$1,140,205   | (\$136,120)           | (10.66%)        | Significant upward movement in benchmark U.S. Treasury yields between August 21, 2020 and November 9, 2020 resulted in corresponding higher yields on the Bonds and less aggregate savings. |

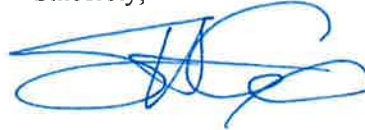
  

| <u>Cost</u>            | <u>Estimated Amount</u> | <u>Actual Amount</u> | <u>Net Difference</u> | <u>% Change</u> | <u>Reason</u>   |
|------------------------|-------------------------|----------------------|-----------------------|-----------------|---|
| Underwriter’s Discount | \$82,748                | \$276,581            | \$193,833             | 234.24%         | Underwriter’s discount is determined by competitive bidding. The successful underwriter had the lowest true interest cost (“TIC”) of the eight bids received by the City. Exceptional volatility in the capital markets caused by COVID-19 news, uncertain election results, etc. evidently required the underwriter to build in an interest rate risk cushion to offset potential losses as market yields fluctuate. |

We are aware of the differences in estimated costs and results. Since the results were attractive in spite of significant market volatility and uncertainty, we decided to proceed with the issuance of the Bonds as planned on November 20, 2020.

If you have any questions or need any additional information, please do not hesitate to contact me at your earliest convenience.

Sincerely,



Sidney H. Cox  
Chief Financial Officer/Recorder

Copies: Board of Mayor and Aldermen  
Rick Dulaney - Raymond James  
Elizabeth Zuelke - Raymond James  
Cindy Barnett, Esq. - Adams and Reese LLP