



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, February 15, 2021, 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
Michael Borders, Assistant City Manager
J. Michael Billingsley, City Attorney
Scott Boyd, Fire Chief
George DeCroes, Human Resources Director
Adrienne Batara, Public Relations Director
John Rose, Economic Development Director

Ryan McReynolds, Deputy City Manager
Jessica Harmon, Assistant to City Manager
Lisa Winkle, Interim CFO/City Recorder
Dale Phipps, Interim Police Chief
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 of all concerned in light of the COVID-19 virus.
4. Review of Items on February 16, 2021 Business Meeting Agenda
5. Adjourn

Next Work Session March 1

BMA Report, February 15, 2021



Kingsport Employee Wellness, George DeCroes

	01/01/2021 – 01/31/21	02/01/2021 – 02/10/2021
Total Utilization	78.3%	72.1%
City – Active Employees	63.0%	65.8%
City – Dependents	31.0%	27.1%
City – Retirees	0.0%	0.0%
Extended-Patient Services/Other	0.5%	1.8%
Work Comp	0.0%	1.8%
No Show	5.5%	3.5%

Worker's Compensation, John Burkholder

For the month of January 2021, the city had six recordable worker's compensation claims that involved lost time or restricted duty. Of the six claims involved, three are lost time and three are restricted duty.

City of Kingsport

February 15, 2021

Project Status in Pictures

1 Stone Drive Sidewalks

The majority of the clearing/grubbing/grading has been completed. Current work is near the KIA dealership.

2 Water System Improvements - Phase 5

Current work is waterline replacement along Arch Street.

3 Sidewalk Improvements

Sidewalk and ramp improvements at the intersection of Linville Street and Belmeade Drive. This work is being completed by city crews.



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	SR 347 (Rock Springs Road) [State & MTPO funded]	TDOT Managed, joint funded reconstruction of the State portion of Rock Springs Road	12/31/2022	TDOT contract amendment approved by BMA and is routed for signatures. This reduced the local commitment from \$2.0 million to \$1.0 million MPO funds. Updated estimated cost to reflect amendment.
\$6,000,000.00	Michael Thompson	Main Street Rebuild	The reconstruction of Main Street from Sullivan Street to Clay Street. [City & MTPO Funded]	6/1/2021	BMA Approved Additional Services contract with consultant for NEPA
\$5,963,000.00	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	Rehab of West Kingsport SLS (#119) and installation of new forcemain to the WWTP.	5/5/2021	Continued installation of conduit, wire and switch boxes in the electric room. Application of wetwell coating, Norris continues to look for leaks on forcemain.
\$3,500,000.00	Michael Thompson	Island Road Improvements from SR-126 to Kingsport City Limits	This project will realign Island Road to the southeast to improve vertical and horizontal roadway geometry for better traffic management and safety. The remaining unused portion of Island Road will be converted into a separated buffered multi-use path co	4/30/2024	Mattern & Craig still working to prepare NEPA document.
\$2,500,000.00	Michael Thompson	2021 Main Road Paving (MTPO Funded)	Paving of functionally classified roadways: Meadowview Pkwy, Moreland Dr, Cooks Valley, Fall Creek and Netherland Inn Road	12/31/2021	Final NEPA document submitted to TDOT for approval.
\$2,300,000.00	Ryan McReynolds	Justice Center Renovations	Renovations and expansion of Justice Center that will accommodate court space and county offices currently residing in City Hall.	12/31/2021	Architect is working on plans and having discussions with staff.
\$2,225,522.00	Ryan McReynolds	City Hall Relocation - Phase 2	Renovations of floors 1 & 2 for the consolidation of City offices to one location at 415 Broad Street.	2/28/2021	Countertops and casework being installed in Fiscal Collections area.
\$1,477,741.00	Chad Austin	Phase 5 Water Improvements	Project includes water line replacements in Fort Robinson area, Sherwood Road, Roller Street area, Gibson Mill area, and Waverly Road.	11/30/2021	Contractor installing waterline on Arch Street.
\$1,044,000.00	Kitty Frazier	Kingsport Greenbelt Extension from Rotherwood Drive to Lewis Lane	This project will build an extension of the Kingsport Greenbelt walking and biking path west from the end of the current Greenbelt at Rotherwood Drive to Lewis Lane on West Stone Drive (State Route 1).	5/31/2024	Phase I Cultural Resources Survey Report submitted to TDOT for reviews 1/7/2021. SHPO review period is 30 days & NAC review period is 45 days.
\$873,345.88	Chad Austin	2019 I & I Sewer Rehab/Replacement	Project will include sanitary sewer rehab/replacement in the White Street/Gibson Mill area, Fort Robinson area, Konnarock Road, Brooks Street Alley, and DB Track & Field.	2/12/2021	One sewer lateral remaining to be completed.
\$746,785.00		2021 Area 35B Paving	Paving portions of Fordtown Road, Tri-City Crossing, Cox Hollow, Snapps Ferry, and Kendrick Creek roads	6/5/2021	Summers-Taylor is low bidder. Bringing to February 15/16 BMA meeting for approval.

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	CurrentStatus
\$670,291.15	Michael Thompson	Stone Drive - Phase 1 (SR 1, US 11W) Sidewalk Improvements	Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to 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	Stone Drive - Phase 2 (SR 1, US 11W) Sidewalk Improvements	Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to Bloomingdale Pike [95% State Funded 5%]	5/28/2021	The majority of the clearing/grubbing/grading of the project is complete. Current concrete placement is occurring in front of the Kia dealership.
\$415,000.00	Chad Austin	SR 93- Fall Branch section (TDOT)	TDOT project to improve State Route 93 in the Fall Branch area. Impacted waterlines in this area will be are to be relocated as part of the TDOT project.	8/31/2021	TDOT to begin construction June 1, 2020; project estimated completion dated 8/31/2021
\$352,000.00	Chad Austin	SR 93- Horse Creek/Derby Drive Section (TDOT)	TDOT project to improve State Route 93 in the Horse Creek/Derby Drive area. Project also includes improvements with the intersection with Derby Drive, along with a new bridge crossing Horse Creek. Impacted waterlines in this area will be are to be reloc	8/31/2022	TDOT "B Date" package due date pushed back to 5/28/2021; anticipated letting December 2021
		Area 31 Contracted Paving	Milling and paving of selected roadways near Tri-Cities Airport with Kingsport City Limits: Harry Steadman Dr, Wallace Alley St, Millenium Dr, Hospitality Pl, Flagship Dr, Jericho Dr, Cracker Barrel Dr	7/31/2021	Advertise for bids on 2/14/21 and bid opening on 3/4/2021.
		Area 31 Paving (in house)	Paving of selected roadways near Tri-Cities Airport with Kingsport City Limits: Browder Rd, Lynn Rd, Buttermilk rd, Shipley Ferry Rd, Rocky Branch Rd		Work to be done by City crews beginning Spring 2021

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AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

**Tuesday, February 16, 2021, 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
Michael Borders, Assistant City Manager
J. Michael Billingsley, City Attorney
Lisa Winkle, Interim CFO/City Recorder
George DeCroes, Human Resources Director
Adrienne Batara, Public Relations Director
John Rose, Economic Development Director

Ryan McReynolds, Deputy City Manager
Jessica Harmon, Assistant to City Manager
Dale Phipps, Interim Police Chief
Scott Boyd, Fire Chief
Ken Weems, Planning Manager
John Morris, Budget Director

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG

Revised **II.B. INVOCATION** – Pastor Bart Fowler, Come As You Are Ministries

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 of all concerned in light of the COVID-19 virus.

IV.A. RECOGNITIONS & PRESENTATIONS

Added

1. United Way of Greater Kingsport 2020 Campaign Chair – Brent Mullins (Mayor Shull)
2. Cardiovascular Professionals Week (Mayor Shull)

Added

3. TN Recreation and Parks Assoc. 2020 New Facility Award – Miracle Field – Matthew Elkins (Alderman Duncan)

IV.B. APPOINTMENTS

None

V. APPROVAL OF MINUTES

1. Work Session – February 1, 2021
2. Business Meeting – February 2, 2021

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

Revised Ord. 2/15/21

1. Amend City Code Section 98-405, Subsection (e) Pertaining to Penalties for Violations of Energy Absorption System, etc. for Vehicles (AF: 57-2021) (Dale Phipps)

- Ordinance – First Reading

Revised Ord. 2/15/21

2. Amend City Code Section 98-407 Pertaining to Penalties for Violation for Use of Safety Belts (AF: 58-2021) (Dale Phipps)

- Ordinance – First Reading

3. Amend the Current First Tennessee Agency on Aging Grant Due to Additional Corona Virus Funds and Appropriate the Funds (AF: 54-2021) (Shirley Buchanan)

- Resolution
- Ordinance

4. Enter into a Materials Agreement with LandStar, LLC, Related to the West Gate Phase 1 Development and an Ordinance to Appropriate the Funds (AF: 39-2021) (Ryan McReynolds)

- Resolution
- Ordinance

5. Enter into a Materials Agreement with LandStar, LLC, Related to the North Park Phase 1 Development and an Ordinance to Appropriate the Funds (AF: 40-2021) (Ryan McReynolds)

- Resolution
- Ordinance

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Budget Adjustment Ordinance for Various Funds in FY21 (AF: 46-2021) (Chris McCartt)
 - Ordinance – Second Reading and Final Adoption

D. OTHER BUSINESS

1. Awarding the Bid for Landscape Maintenance Services (AF: 52-2021) (Ryan McReynolds)
 - Resolution
2. Awarding the Bid for Mowing of Various Locations (AF: 51-2021) (Ryan McReynolds)
 - Resolution
3. Awarding the Bid for the Purchase of Various Water and Sewer Maintenance Items (AF: 59-2021) (Chris McCartt, Ryan McReynolds)
 - Resolution
4. Award of Bid to Summers-Taylor, Inc. for 2021 Contracted Paving Area 35B – Eastern Star (AF: 55-2021) (Ryan McReynolds)
 - Resolution
5. Authorizing the Purchase of Laptops from Dell, Inc. for Teachers and Student Resource Officers in the Kingsport City School System (AF: 60-2021) (David Frye, T. Robinson)
 - Resolution
6. Enter into an Agreement with Thyssenkrupp Elevator Corporation for Elevator Maintenance Services for Kingsport City School Utilizing the National Cooperative Purchasing Alliance (NCPA) Cooperative (AF: 61-2021) (David Frye)
 - Resolution
7. Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Provision (AF: 65-2021) (Chris McCartt)
 - Resolution

Revised Res. 2/15/21

All matters listed under the Consent Agenda are considered in the ordinary course of business by the Board of Mayor and Aldermen and will be enacted on by one motion by a roll call vote. However, if discussion of an item is desired by any member of the board, the item will be removed from the Consent Agenda and considered separately.

VII. CONSENT AGENDA

1. Lease Agreement with Eastman Chemical Company (AF: 56-2021) (Ryan McReynolds)
 - Resolution

- Revised AF 2/15/21
2. Approval of Amendments to Master Documents for the Flexible Spending Account and Section 125 Cafeteria Plan (AF: 50-2021) (George DeCroes)
 - Resolution
 3. Execute an Information Sharing Agreement with BlueCross BlueShield of Tennessee Inc.; Springbuk, Inc., CareHere, LLC; Mark III and City of Kingsport (AF: 53-2021) (George DeCroes)
 - Resolution
 4. Rejecting the Bids for the Purchase of Commercial Finishing Mowers (AF: 63-2021) (Ryan McReynolds)
 - Resolution

VIII. COMMUNICATIONS

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

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

IX. ADJOURN

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, February 1, 2021, 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

Lisa Winkle, Treasurer/Interim City Recorder

Angie Marshall, City Clerk/Deputy City Recorder

Dale Phipps, Interim Chief of Police

Scott Boyd, Fire Chief

John Morris, Budget Officer

Ken Weems, Planning Manager

George DeCroes, Human Resources Manager (via zoom)

John Burkholder, Risk Manager

Jessica Harmon, Assistant to City Manager

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. **VISIT KINGSFORT & DOWNTOWN KINGSFORT ASSOCIATION UPDATE.** Jud Teague provided an update on Visit Kingsport, commenting on the significance of The Miracle Field completed last year. Robin Cleary then discussed how DKA adapted to the COVID-19 virus to cater to the downtown businesses. There was some discussion.

5. **REVIEW OF AGENDA ITEMS ON THE FEBRUARY 2, 2021 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.

VI.D.5 Bid Award for the Construction of a Fire Training Facility Classroom (AF: 47-2021). Fire Chief Boyd provided information on this item, pointing out this would double the capacity for students and the classroom could also be divided into separated spaces.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of
Kingsport, Tennessee, Monday, February 1, 2021**

VII.2 Amend Professional Services Agreement with Hazen and Sawyer for the West Kingsport Pump Station and Force Main Project (AF: 21-2021). Deputy City Manager McReynolds gave details on this item noting no additional money would be required.

6. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Shull adjourned the meeting at 5:52 p.m.

ANGELA MARSHALL
Deputy City Recorder

PATRICK W. SHULL
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, February 2, 2021, 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 James Phillips

City Administration
Chris McCartt, City Manager
J. Michael Billingsley, City Attorney
Lisa Winkle, Treasurer/Interim City Recorder
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:** Planning Manager Ken Weems.

II.B. **INVOCATION:** Pastor Richard Dice, Christ Church.

III.A. **ROLL CALL:** Interim City Recorder Winkle. Absent: Alderman Tommy Olterman.

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. Recognition of Citizens, Jon Hamblin and Ray Watson. Mayor Shull thanked them for rushing into a burning building to save the resident and her dogs.

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

(These items are considered under one motion.)

Motion/Second: George/Duncan, to approve:

1. **Appointment to the Kingsport Economic Development Board**
(AF: 44-2021) (Mayor Shull).

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, February 2, 2021**

Approve:

APPOINTMENT OF DENNIS PHILLIPS TO FULFILL THE UNEXPIRED TERM OF THE LATE MARTY BARFIELD ON THE **KINGSPORT ECONOMIC DEVELOPMENT BOARD** EFFECTIVE IMMEDIATELY AND EXPIRING ON JANUARY 1, 2026.

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

2. Appointment to the Gateway Review Commission (AF: 45-2021)
(Mayor Shull).

Approve:

APPOINTMENT OF TERRY COX TO FULFILL THE UNEXPIRED TERM OF JIM WRIGHT ON THE **GATEWAY REVIEW COMMISSION** EFFECTIVE IMMEDIATELY AND EXPIRING ON FEBRUARY 28, 2021.

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

V. APPROVAL OF MINUTES.

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

- A. January 19, 2021 Regular Work Session
- B. January 19, 2021 Regular Business Meeting

Approved in a roll call vote: Adler, Cooper, Duncan, George, 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.

1. Budget Adjustment for Various Funds in FY21 (AF: 46-2021)
(Chris McCartt).

Motion/Second: Duncan/George, to pass:

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

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

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, February 2, 2021**

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Amend Zoning of 3301 E. Stone Drive from M-1R (Light Manufacturing Restricted District) to B-3 (Highway Oriented Business District) (AF: 05-2021) (Ken Weems).

Motion/Second: George/Cooper, to pass:

ORDINANCE NO. 6912, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG E STONE DRIVE FROM M-1R, LIGHT MANUFACTURING RESTRICTED DISTRICT TO B-3, HIGHWAY ORIENTED BUSINESS DISTRICT IN THE 10TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Amend Zoning of 354 Shadowtown Road from TA/C (Tourist Accommodation/Commerce District) to B-3 (Highway Oriented Business District) (AF: 06-2021) (Ken Weems).

Motion/Second: Phillips/Adler, to pass:

ORDINANCE NO. 6913, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG SHADOWTOWN ROAD FROM TA/C, TOURIST ACCOMMODATION/ COMMERCE DISTRICT TO B-3, HIGHWAY ORIENTED BUSINESS DISTRICT IN THE 7TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Apply for and Accept a Coronavirus Aid, Relief and Economic Stimulus (CARES) Act Grant from the Federal Transit Administration Grant and U.S. Department of Transportation (AF: 14-2021) (Chris Campbell).

Motion/Second: Duncan/George, to pass:

ORDINANCE NO. 6914, AN ORDINANCE TO AMEND URBAN MASS TRANSIT CAPITAL/GRANT FUND BUDGET FOR THE YEAR ENDING JUNE 30, 2021; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

4. Amendment One to the 2020 Annual Action Plan for the Community Development Block Grant Program (AF: 07-2021) (Jessica McMurray).

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, February 2, 2021**

Motion/Second: Cooper/George, to pass:

ORDINANCE NO. 6915, AN ORDINANCE TO AMEND THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET FOR THE YEAR ENDING JUNE 30, 2021; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

5. Budget Adjustment for Various Funds in FY21 (AF: 38-2021)
(Chris McCartt).

Motion/Second: George/Duncan, to pass:

ORDINANCE NO. 6916, 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, Phillips and Shull voting "aye."

D. OTHER BUSINESS.

1. Bid Award for the Purchase of Two (2) High-Top Passenger Vans (AF: 41-2021) (Chris McCartt, Steve Hightower).

Motion/Second: Cooper/George, to pass:

Resolution No. 2021-142, A RESOLUTION AWARDED THE BID FOR THE PURCHASE OF TWO HIGH-TOP PASSENGER VANS 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, Phillips and Shull voting "aye."

2. Bid Award for the Purchase of Various Fleet Maintenance Items (AF: 42-2021) (Chris McCartt, Ryan McReynolds).

Motion/Second: Duncan/Phillips, to pass:

Resolution No. 2021-143, A RESOLUTION AWARDED THE BID FOR PURCHASE OF VARIOUS FLEET MAINTENANCE ITEMS TO SOUTHERN TIRE MART AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

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

3. Apply and Receive the Assistance to Firefighters Grant (AFG) through the U.S. Fire Administration of the Federal Emergency Management Administration (FEMA) Division of the Department of Homeland Security (DHS) (AF: 24-2021) (Scott Boyd).

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, February 2, 2021**

Motion/Second: Duncan/George, to pass:

Resolution No. 2021-144, A RESOLUTION AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN ASSISTANCE TO FIREFIGHTERS GRANT FROM THE UNITED STATES FIRE ADMINISTRATION OF THE FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION DIVISION OF THE DEPARTMENT OF HOMELAND SECURITY FOR THE KINGSPORT FIRE DEPARTMENT

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

4. Amend Agreement with Barge Design Solutions, Inc. for Stormwater Mapping and Associated Asset Management - Phase II (AF: 35-2021) (Ryan McReynolds).

Motion/Second: George/Phillips, to pass:

Resolution No. 2021-145, A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH BARGE DESIGN SERVICES, INC. FOR STORMWATER MAPPING AND ASSOCIATED ASSET MANAGEMENT PHASE II AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

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

5. Bid Award for the Construction of a Fire Training Facility Classroom (AF: 47-2021) (Scott Boyd).

Motion/Second: Adler/George, to pass:

Resolution No. 2021-146, A RESOLUTION AWARDDING THE BID FOR THE FIRE TRAINING FACILITY CLASSROOM PROJECT TO BEURIS CONSTRUCTION, INC., AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

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

6. Amend Agreement with Barge Design Solutions, Inc. For Main Street Redevelopment (AF: 49-2021) (Ryan McReynolds).

Motion/Second: Duncan/George, to pass:

Resolution No. 2021-147, A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH BARGE DESIGN SERVICES, INC. FOR THE MAIN STREET REDEVELOPMENT PROJECT; 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, Phillips and Shull voting “aye.”

Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, February 2, 2021

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

Motion/Second: George/Cooper, to adopt:

1. TBI Management Control Agreement between City Police Department and IT Department (AF: 43-2021) (Dale Phipps).

Pass:

Resolution No. 2021-148, A RESOLUTION APPROVING A MANAGEMENT CONTROL AGREEMENT BETWEEN THE TENNESSEE BUREAU OF INVESTIGATION, THE CITY OF KINGSFORT IT DEPARTMENT AND THE CITY OF KINGSFORT POLICE DEPARTMENT 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, Phillips and Shull voting "aye."

2. Amend Professional Services Agreement with Hazen and Sawyer for the West Kingsport Pump Station and Force Main Project (AF: 21-2021) (Ryan McReynolds).

Pass:

Resolution No. 2021-149, A RESOLUTION APPROVING AMENDMENT TWO TO THE PROFESSIONAL SERVICES AGREEMENT WITH HAZEN AND SAWYER; FOR THE WEST KINGSFORT PUMP STATION AND FORCE MAIN PROJECT; 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, Phillips and Shull voting "aye."

3. Approve Issuance of Certificates of Compliance for Retail Food Stores to Sell Wine (AF: 48-2021) (Angie Marshall).

Approve:

APPROVE ISSUANCE OF CERTIFICATES OF COMPLIANCE FOR RETAIL FOOD STORES TO SELL WINE

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

4. Execute an Amendment to the Agreement with BlueCross BlueShield of Tennessee, Inc. (AF: 31-2021) (George DeCroes).

Pass:

Resolution No. 2021-150, A RESOLUTION APPROVING THE FIRST AMENDMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT WITH BLUECROSS BLUESHIELD OF TENNESSEE, INC.; 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, Phillips and Shull voting "aye."

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, February 2, 2021**

VIII. COMMUNICATIONS.

A. CITY MANAGER. Mr. McCartt commented on the delays to city projects as a result of COVID. He commended staff for being flexible and able to adapt to things out of their control. He also discussed how COVID has impacted tourism as presented by Jud Teague for Visit Kingsport at the work session yesterday. Mr. McCartt stated that beginning in March, the Wednesday article in the paper sponsored by the city will focus on what drives the local economy and the role the City plays.

B. MAYOR AND BOARD MEMBERS. Alderman Adler commented on the snow and still getting outside to walk, noting Healthy Kingsport is starting a program for the new year to get your steps in. She also mentioned a Valentine's Day fundraiser event at PETWORKS and encouraged participation. Alderman Duncan commended the city crews for their work in the snow. He noted there would be Hop and Shop downtown this Thursday, pointing out there have been 16 new businesses open downtown since March and asked citizens to support them. Alderman Phillips commented on the Request for Proposals for the Main Street project which was in the paper. He provided details on it and encouraged people to spread the word. Alderman Cooper mentioned the recent Eastman announcement as well as Domtar's repurposing announced last, noting Kingsport's big industries are moving in the right direction. Vice-Mayor George commented on the events that are still going on, stating Visit Kingsport is doing a great job of getting people here. She also commended Visit Kingsport and the Downtown Kingsport Association for their efforts. Mayor Shull pointed out today was Groundhog Day and there would be six more weeks of winter. He also noted February was black history month and encouraged citizens to participate as much as possible. The mayor provided details on the new Appalachian baseball league as well as the recent announcement from Eastman.

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Shull adjourned the meeting at 7:54 p.m.


ANGELA MARSHALL
Deputy City Recorder

PATRICK W. SHULL
Mayor



AGENDA ACTION FORM

Amend City Code Section 98-405, Subsection (e) Pertaining to Penalties for Violations of Energy Absorption System, etc. for Vehicles

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

Action Form No.: AF-57-2021
Work Session: February 15, 2021
First Reading: February 16, 2021

Final Adoption: March 2, 2021
Staff Work By: Capt. Gore
Presentation By: Interim Chief Phipps

Recommendation:
Approve the Ordinance.

Executive Summary:
This action amends Kingsport Code of Ordinances Section 98-405, by replacing subsection (e) in its entirety as it pertains to the penalties for a violation of section 98-405. Kingsport Code of Ordinances section 98-405 requires all motor vehicles operated on any road, street, or highway to be equipped with a bumper or energy absorption system. The amendment to 98-405(e) specifies a fine not to exceed \$50 for a violation. This amendment conforms the applicable fine with similar fines imposed for violations of the code of ordinances which pertain to vehicle equipment and condition.

Attachments:
1. Ordinance

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, CHAPTER 98, ARTICLE VII, SECTION 405 REGARDING ENERGY ABSORPTION SYSTEM REQUIRED; ALTERATION OF ALTITUDE OF PASSENGER CAR; MODIFICATION OF FRONT END; MODIFICATION OF STEERING MECHANISM; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

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

SECTION I. That the Code of Ordinances, City of Kingsport Tennessee Section 405, Article VII, Chapter 98 is hereby amended by deleting Subsection (e) of Section 405 in its entirety and substituting in its place the following:

(e) If the vehicle is found not to be in compliance with this section, the operator shall be fined an amount not to exceed \$50.00. The vehicle may, however, be operated for the purpose of traveling to and from an establishment or location where repairs are to be performed.

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

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

PATRICK W. SHULL, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____



AGENDA ACTION FORM

Amend City Code Section 98-407 Pertaining to Penalties for Violation for Use of Safety Belts

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

Action Form No.: AF-58-2021
 Work Session: February 15, 2021
 First Reading: February 16, 2021

Final Adoption: March 2, 2021
 Staff Work By: Capt. Gore
 Presentation By: Interim Chief Phipps

Recommendation:

Approve the Ordinance.

Executive Summary:

This action amends Kingsport Code of Ordinances section 98-407 which prescribes the penalties for a violation of Kingsport Code of Ordinances section 98-406 which requires operators and passengers to use safety belts in passenger motor vehicles. This amendment conforms the Kingsport Code of Ordinances with Tennessee Code Annotated section 55-9-603(d). The ordinance amends the fine for a first offense safety belt violation from \$10.00 to \$30.00 and from \$20.00 to \$50.00 for second and subsequent violations.

Attachments:

1. Ordinance

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, CHAPTER 98, ARTICLE VII, SECTION 407 REGARDING PENALTIES FOR VIOLATION OF USE OF SAFETY BELTS; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

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

SECTION I. That the Code of Ordinances, City of Kingsport Tennessee Section 407, Article VII, Chapter 98 is hereby amended by deleting Subsection (a) of Section 407 in its entirety and substituting in its place the following:

(a) A person convicted of a violation of section 98-406 shall be fined \$30.00 for a first violation and \$50.00 for each subsequent violation.

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

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

PATRICK W. SHULL
Mayor

ATTEST:

ANGELA MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____



AGENDA ACTION FORM

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

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

Action Form No.: AF-54-2021
 Work Session: February 15, 2021
 First Reading: February 16, 2021

Final Adoption: March 2, 2021
 Staff Work By: Shirley Buchanan
 Presentation By: Shirley Buchanan

Recommendation:

Approve the Resolution and Ordinance.

Executive Summary:

The FTAAAD has received additional federal funds to supply each Senior Center with an additional \$9,250 to be used for a Thermal Scanner, an additional check in station, and 8 additional hand held scanners.

Attachments:

1. Resolution
2. Ordinance
3. Grant Contract Amendment

Funding source appropriate and funds are available: *CM*

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

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

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AMENDMENT 2 TO THE GRANT AGREEMENT WITH THE FIRST TENNESSEE AGENCY ON AGING AND DISABILITY FOR ADDITIONAL CORONA VIRUS FUNDS; AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, in July, 2020, the board approved a resolution authorizing the mayor to sign a grant agreement with the First Tennessee District Area Agency on Aging and Disability for the Kingsport Senior Center; and

WHEREAS, in October, 2020, the agreement was amended to allow for federal funds in the amount of \$5,000.00, to be used to upgrade technology; and

WHEREAS, the First Tennessee District Area Agency on Aging and Disability has received additional federal funds to supply each senior center with an additional \$9,250.00 to be used for a thermal scanner, an additional check in station, and 8 additional hand held scanners;

Now therefore,

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

SECTION I. That Amendment 2 to the Grant Agreement with the First Tennessee District Area Agency on Aging and Disability 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, Amendment 2 to the Grant Agreement with the First Tennessee District Area Agency on Aging and Disability and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said amendment being generally as follows:

AMENDMENT2
OF CONTRACT 106-21

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

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

C.1. Maximum Liability. In no event shall the maximum liability of the Granter under this Grant Contract exceed Forty-six Thousand Two Hundred Fifty Dollars (\$46,250.00) ("Maximum Liability"). The Grant Budget attached and incorporated as Attachments A and C is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

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

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with

applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective January 29, 2021. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ORDINANCE NO.

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

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

SECTION I. That the General Fund budget be amended by appropriating additional funds granted from the First Tennessee Agency on Aging grant received from the First Tennessee Development District in the amount of \$9,250.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>General Fund: 110</u>			
<u>Revenues:</u>	\$	\$	\$
110-0000-332.71-00 FTDD Area Agency On Aging	37,000	9,250	46,250
<i>Totals:</i>	37,000	9,250	46,250
 <u>Expenditures:</u>	 \$	 \$	 \$
110-4520-472.20-20 Professional/Consultant	40,000	9,250	49,250
<i>Totals:</i>	40,000	9,250	49,250

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:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

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



CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract # 106-21	Amendment # 2		
Contractor Legal Entity Name CITY OF KINGSPORT TN FOR KINGSPORT SENIOR CENTER			Edison Vendor ID		
Amendment Purpose & Effect(s) ADRC COVID grant					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: 6/30/2021			
TOTAL Contract Amount INCREASE per this Amendment (zero if N/A):			\$9,250.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2021	20,000.00	26,250.00			46,250.00
TOTAL:	20,000.00	26,250.00			46,250.00
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			CPO USE		
Speed Chart (optional)	Account Code (optional)				

**AMENDMENT 2
OF CONTRACT 106-21**

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

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

- C.1. **Maximum Liability.** In no event shall the maximum liability of the Grantor under this Grant Contract exceed Forty-six Thousand Two Hundred Fifty Dollars (\$46,250.00) ("Maximum Liability"). The Grant Budget attached and incorporated as Attachments A and C is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

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

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

Amendment Effective Date. The revisions set forth herein shall be effective January 29, 2021. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

CITY OF KINGSPORT TN FOR KINGSPORT SENIOR CENTER:

SIGNATURE

DATE

Patrick W. Shull, Mayor

FIRST TENNESSEE DEVELOPMENT DISTRICT AREA AGENCY ON AGING AND DISABILITY

Chip Craig 1/28/21
Christopher L. Craig, Executive Director Date

Kathy Whitaker 1/28/21
Kathy Whitaker, FTAAAD Director Date

ATTACHMENT A

GRANT BUDGET				
CITY OF KINGSPORT TN FOR KINGSPORT SENIOR CENTER				
The Grant Budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: 7/1/2020 END: 6/30/2021				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	32,000.00	509,550.00	541,550.00
4, 15	Professional Fee, Grant & Award ²	0.00	27,500.00	27,500.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	14,250.00	174,750.00	189,000.00
11, 12	Travel, Conferences & Meetings	0.00	500.00	500.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	550.00	550.00
15	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	11,200.00	11,200.00
18	Other Non-Personnel ²	0.00	800.00	800.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	46,250.00	724,850.00	771,100.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies*, Appendix A (posted on the Internet at: <https://www.tn.gov/finance/looking-for/policies.html>).

² Applicable detail follows this page if line-item is funded.

ATTACHMENT C

GRANT BUDGET – SOURCE OF FUNDS

Program	CFDA #	Federal Funding	State Funding	Total Grant
Federal Funds				
Title III-B: Support Services	93.044	17,000.00		17,000.00
ADRC	93.048	9,250.00		9,250.00
State Funds				
State Senior Center	N/A		20,000.00	20,000.00
Total		26,250.00	20,000.00	46,250.00

ADRC BUDGET

AAAD

FTAAAD

Submission Date

Senior Center ADRC Budget

Kingsport

Item	Place	Purchased by AAAD	Estimated C	Quantity	Total Cost	Thermo Scanner	Total Amendment
MySenior Center handheld scanner	Kingsport	no		8.00	3,200.00		
MySenior Center touchscreen	Kingsport	no		1.00	4,500.00		
						7,700.00	1,550.00
							9,250.00



AGENDA ACTION FORM

Enter into a Materials Agreement with LandStar, LLC, Related to the West Gate Phase 1 Development and an Ordinance to Appropriate the Funds

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

Action Form No.: AF-39-2021
 Work Session: February 15, 2021
 First Reading: February 16, 2021

Final Adoption: March 2, 2021
 Staff Work By: David Harris
 Presentation By: R. McReynolds

Recommendation:

Approve the Resolution and Ordinance.

Executive Summary:

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

Pursuant to the policy, LandStar, LLC has requested that the proposed West Gate Phase 1 Development, be allowed to participate in the materials agreement program. The total amount of the agreement is proposed at \$33,454.08 for a new twenty eight (28) lot development.

To date, including this development, the program has supported 921 new/proposed lots within the City of Kingsport. Of those lots, 574 Building Permits and 516 Certificates of Occupancy have been issued to date.

Attachments:

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

Funding source appropriate and funds are available: *CM*

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

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

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH LANDSTAR, LLC RELATED TO WEST GATE PHASE 1 DEVELOPMENT AND AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, LandStar, LLC would like to enter into a Materials Agreement for the provision of certain water and sewer materials by the city for West Gate Phase 1, a 28 lot development in the city; and

WHEREAS, the total amount of the agreement as proposed is \$33,454.08.

Now, therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, a Materials Agreement with LandStar, LLC to provide certain water and sewer materials by the city for West Gate Phase 1, in the amount of \$33,454.08, and the mayor is further authorized and directed to execute all documents necessary and proper to effectuate the purpose of the agreement, said agreement being as follows:

MATERIALS AGREEMENT

This AGREEMENT made and entered into on this 16th day of February, 2021, by and between the LandStar, LLC. hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

1. The Developer has subdivided a tract of land known as West Gate Phase 1, and preliminary approval having been heretofore granted by the Planning Commission.
2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 480 LFT of Waterline and 960 LFT of Sanitary Sewer Line to construct.
3. The estimated cost of the materials listed in paragraph 2 above is approximately \$33,454.08. The Developer will purchase this material from the City for use for construction pursuant to this contract only.
4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.
5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.
6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.
7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.
8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO THE WEST GATE PHASE 1 MATERIALS AGREEMENT PROJECTS (WA2152 AND SW2152); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Water Fund project and the Sewer Fund project budgets be amended by decreasing the funds transferred from the Water Fund operating budget by \$13,403 and by decreasing the funds transferred from the Sewer Fund operating budget by \$17,149 to the West Gate Phase 1 projects (WA2152 and SW2152) to fund the materials agreement.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Water Project Fund:451</u>			
<u>West Gate Phase 1 (WA2152)</u>			
<u>Revenues</u>			
451-0000-391.45-00 From the Water Fund	\$0	\$13,403	\$13,403
Totals:	\$0	\$13,403	\$13,403
<u>Expenditures:</u>			
451-0000-605.90-03 Improvements	\$0	\$13,403	\$13,403
Totals:	\$0	\$13,403	\$13,403
 <u>Account Number/Description:</u>			
<u>Sewer Project Fund:452</u>			
<u>West Gate Phase 1 (SW2152)</u>			
<u>Revenues</u>			
452-0000-391.42-00 From the Sewer Fund	\$0	\$17,149	\$17,149
Totals:	\$0	\$17,149	\$17,149
<u>Expenditures:</u>			
452-0000-606.90-03 Improvements	\$0	\$17,149	\$17,149
Totals:	\$0	\$17,149	\$17,149

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

PATRICK W. SHULL, Mayor

ATTEST:

ANGELA MARSHALL
City Recorder Deputy

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

MATERIALS AGREEMENT

This AGREEMENT made and entered into on this 16th day of February, 2021, by and between the LandStar, LLC. Hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

1. The Developer has subdivided a tract of land known as West Gate Phase 1, and preliminary approval having been heretofore granted by the Planning Commission.
2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 480 LFT of Waterline and 960LFT of Sanitary Sewer Line to construct.
3. The estimated cost of the materials listed in paragraph 2 above is approximately \$33,454.08. The Developer will purchase this material from the City for use for construction pursuant to this contract only.
4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.
5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.
6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.
7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.
8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.
9. The Developer will pay the City for the materials listed above and supplied by the City, and upon completion of the laying of water and sewer lines according to specification of and the plans approved by the City, and upon the Developer fully performing all the requirements contained in this agreement the City will reimburse the Developer for the amount paid to the City for the pipe purchased and used in the subdivision, less state and local sales tax.
10. The purpose of this agreement is to reimburse the Developer for 100% of cost of the water and sewer material, less state and local sales tax, with said materials being purchased from the City, and reimbursement for the cost of the materials being made to the Developer subject to the satisfactory completion of all terms of this agreement including complete annexation of the property into the corporate limits of the City.
11. It is understood that the Developer will do any and all ditching, laying of the pipelines, and any and all other work that may be necessary to meet the specifications of the City.
12. Any unused materials acquired by the Developer from the City will be returned to the City and the costs of such material, if returned undamaged, will be credited to the Developer.

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


Developer

Patrick W. Shull, Mayor

Attest:

Approved as to form:

Sidney H. Cox, City Recorder

J. Michael Billingsley, City Attorney

Materials Agreement

Project: West Gate Phase 1
 Date: February 9, 2021
 Developer: LandStar, LLC

File No.: 2020-D23

Sanitary Sewer		Anticipated		Estimated	
Item #	Item Description	Units	U/M	Price	Total
45003	8" x 14' SDR-35 gsktd Sewer Pipe	70.00	Joints	\$63.56	\$4,449.20
45057	8" x 6" Tee Wye gsktd Sewer	28.00	each	\$39.18	\$1,097.04
45112	Manhole Frame & Covers V-1312-44	7.00	each	\$253.76	\$1,776.32
45226	Manhole Base (24") w/ Invert	7.00	each	\$550.00	\$3,850.00
45229	Manhole Ring Riser 2"	5.00	each	\$31.00	\$155.00
45230	Manhole Ring Riser 4"	2.00	each	\$41.00	\$82.00
45232	Manhole Concrete 24" Riser	3.00	each	\$187.00	\$561.00
45219	Manhole Concrete 16" Concrete Cone	4.00	each	\$170.00	\$680.00
45221	Manhole Concrete 24" Concrete Cone	2.00	each	\$197.00	\$394.00
45218	Manhole Concrete 32" Concrete Cone	1.00	each	\$246.00	\$246.00
45203	Extra Boot Charge	2.00	each	\$56.00	\$112.00
Building Code					
Receipt To:					
Subtotal:	452-0000-208-1250				\$13,402.56
Sales Tax:	452-0000-207-0201			9.50%	\$1,273.24
Project #	SW2152			Sewer Total:	\$14,675.80
Expense To:					
Sewer Acct #	452-0000-606-9003				
				Grand Total:	\$33,454.08



Materials Agreement

Project: West Gate Phase 1
 Date: February 9, 2021
 Developer: LandStar, LLC

File No.: 2020-D23

Water Line		Anticipated		Estimated	
Item #	Item Description	Units	U/M	Price	Total
41864	8" x 18' D.I. Pipe	28.00	Joints	\$354.60	\$9,928.80
42120	4' Bury Hydrant	2.00	each	\$1,610.00	\$3,220.00
42325	6" MJ Gate Valve	2.00	each	\$479.70	\$959.40
43031	8x8x6 Anchor Tee	2.00	each	\$105.31	\$210.62
42845	6" x 18" MJ Anchor Coupling	2.00	each	\$92.52	\$185.04
42335	8" MJ Gate Valve	3.00	each	\$764.05	\$2,292.15
41794	8" Plug w/ 2" Tap	3.00	each	\$52.50	\$157.50
42149	8" Tee w/ 2" Tap	2.00	each	\$97.80	\$195.60
Building Code					
	Receipt To:				
Subtotal:	451-0000-208-1250				\$17,149.11
Sales Tax:	451-0000-207-0201			9.50%	\$1,629.17
Project #	WA2152			Water Total:	\$18,778.28
	Expense To:				
Water Acct. #	451-0000-605-9003				



SITE LOCATION MAP

SHEET 1	COVER SHEET
SHEET 2	SITE PLAN
SHEET 3A	GRADING PLAN
SHEET 4	ROAD PLAN & PROFILES (PHASE 1)
SHEET 5	ROAD DETAILS (1 of 3)
SHEET 6	ROAD DETAILS (2 of 3)
SHEET 6A	ROAD DETAILS (3 of 3)
SHEET 7	MASTER WATER LAYOUT
SHEET 7A	WATER PLAN (PHASE 1)
SHEET 8	WATER DETAILS
SHEET 9	SEWER (WASTE) PLAN & PROFILE (PHASE 1)
SHEET 9A	SEWER (STORM) PLAN & PROFILE (PHASE 1)
SHEET 9B	STORM WATER WATERSHED MAP
SHEET 10	WASTEWATER DETAILS
SHEET 11	STORM SEWER DETAILS
SHEET 12A	EROSION & SEDIMENT CONTROL PLAN PHASE 1A
SHEET 12B	EROSION & SEDIMENT CONTROL PLAN PHASE 1B
SHEET 12C	EROSION & SEDIMENT CONTROL PLAN PHASE 1C
SHEET 13	DRAINAGE MAP
SHEET 14	E&SC DETAILS & NOTES

PROPERTY OWNER:	Land Star LLC
Parcel ID	082045C C 04120
Total Acreage	14.53
Phase I Acreage	3.48
Zoning	R3
Density:	15/Acre
CONTACT PERSON	Brandon Stamper
ADDRESS	800 Stonegate Road Kingsport, TN 37664
TELEPHONE	423 963 0198

Digitally
signed by
Paul
Maggard
Date:
2021.01.29
12:23:37
-05'00'

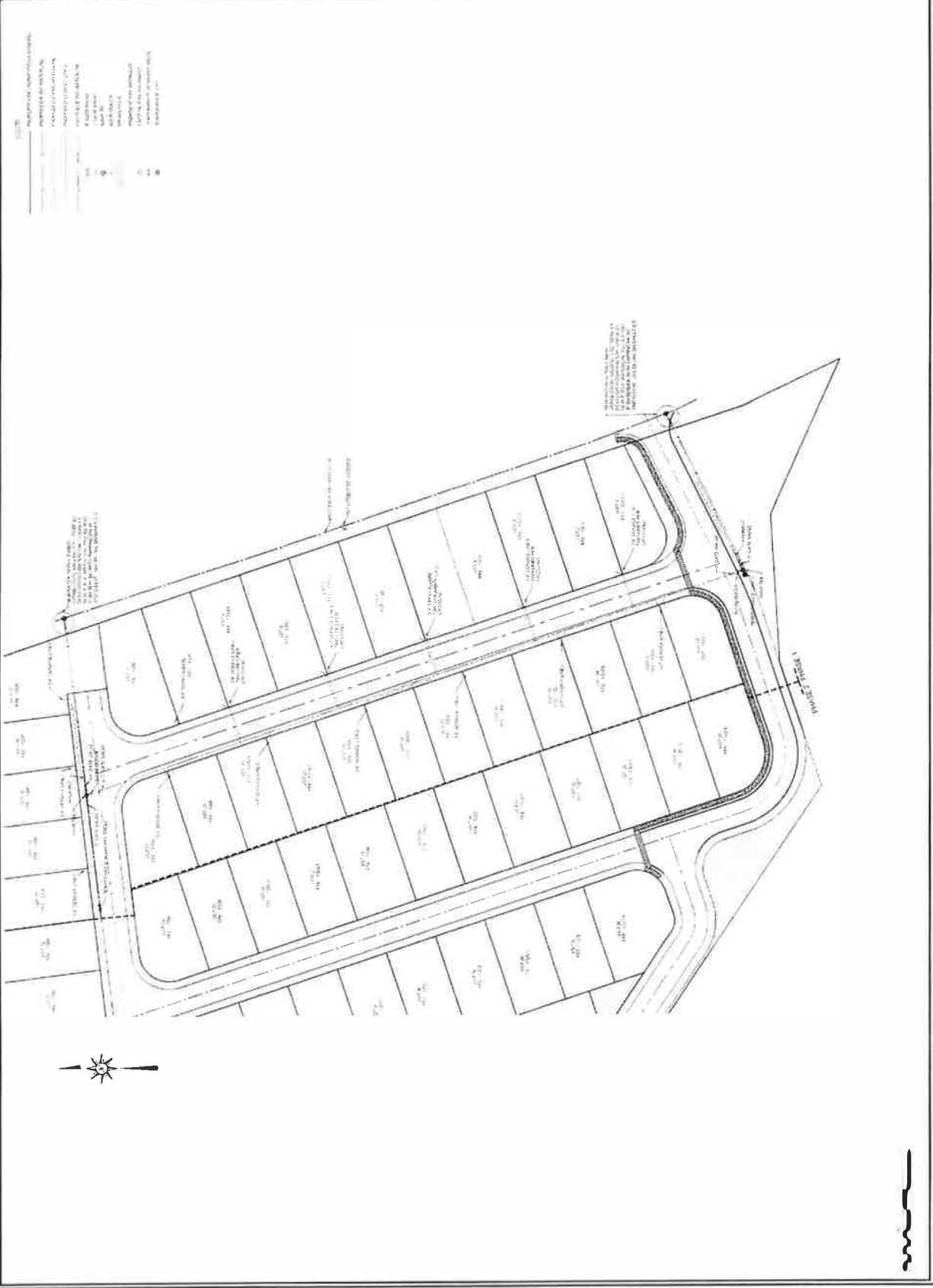
[illegible]

LandStar, LLC
COVER SHEET

SSS

P O BOX 245
Bilefield VA 24605
PHONE 278 393 4440

Entered	1/14/97
Checked	PM
Approved	Pat
Owner	10
Project #	
Project Name	Website Development
Client	



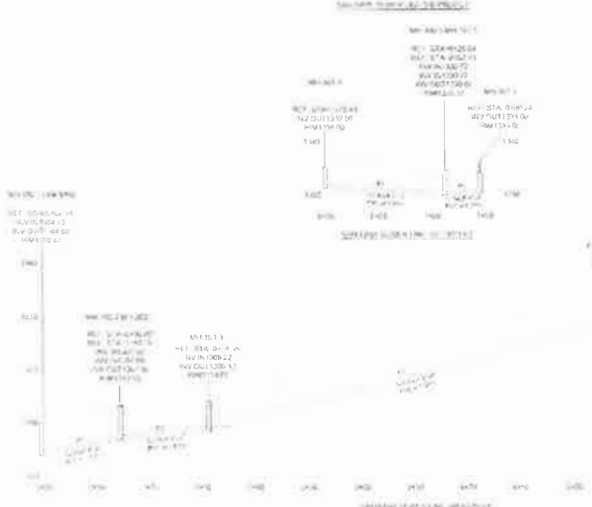
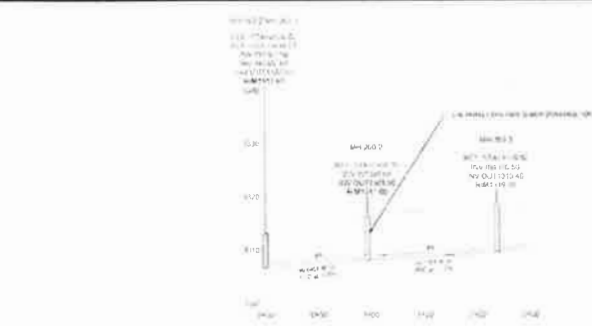
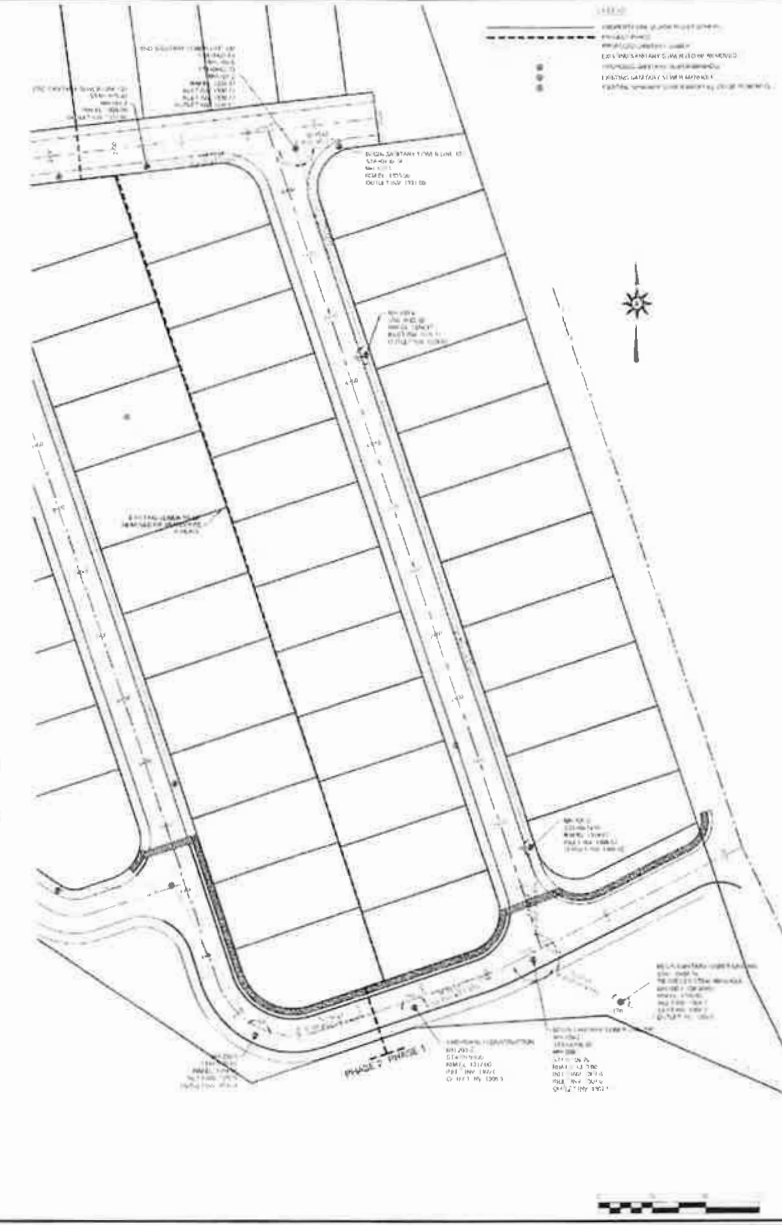


FIGURE 1: SEWER LINE PROFILE AND PLAN

Station	Manhole	Depth	Flow	Velocity	Time
0+00	1	10.00	1.00	1.00	1.00
0+25	2	10.00	1.00	1.00	1.00
0+50	3	10.00	1.00	1.00	1.00
0+75	4	10.00	1.00	1.00	1.00
1+00	5	10.00	1.00	1.00	1.00

Station	Manhole	Depth	Flow	Velocity	Time
0+00	1	10.00	1.00	1.00	1.00
0+25	2	10.00	1.00	1.00	1.00
0+50	3	10.00	1.00	1.00	1.00
0+75	4	10.00	1.00	1.00	1.00
1+00	5	10.00	1.00	1.00	1.00



Station	Manhole	Depth	Flow	Velocity	Time
0+00	1	10.00	1.00	1.00	1.00
0+25	2	10.00	1.00	1.00	1.00
0+50	3	10.00	1.00	1.00	1.00
0+75	4	10.00	1.00	1.00	1.00
1+00	5	10.00	1.00	1.00	1.00

LandStar, LLC
Sewer Plan and Profiles
West Gate Housing Development
Kingsport, Tennessee

GRESS
ENGINEERING

P.O. BOX 748
KINGSPORT, TN 37660
PH: 615 393 4444

Checked	PM
Reviewed	PM
Drawn	PM
Project No.	
Project Name	
Project Location	
Project Date	

City of Kingsport
MATERIALS AGREEMENT

Developer	Development	Proposed Lots/Development	Agreement Amt.	Date	Bldg. Permits	CO's	Reim to Dev	Status
Butch Rose	Hillcrest Heights	6	\$5,140.09	06/19/07	3	3	\$4,636.74	Closed
	Windridge Phase IV	40	\$92,202.29	04/15/08	16	15	\$85,648.47	Closed
Jeff McKee	Settler's Ridge Phase I	41	\$45,344.29	03/20/07	Total of 7	7	\$41,214.30	Closed
	Settler's Ridge Phase II	7	\$18,822.89	11/06/07			\$17,439.89	Closed
Edinburgh Group LLC	Edinburgh Phase IA, Section 1	32	\$42,867.62	02/19/07	Total of 230	199	\$39,474.82	Closed
	Edinburgh Phase IA, Section 2	15	\$25,205.92	04/17/07			\$23,273.53	Closed
	Edinburgh Phase 2, Section 1A	6	\$2,852.48	02/02/10			\$2,659.62	Closed
	Edinburgh Phase 2, Section 2	6	\$11,976.02	11/16/10			\$11,116.69	Closed
	Edinburgh Phase 2, Section 2B	11	\$9,472.85	10/18/11			\$8,770.02	Closed
	Edinburgh Phase 2, Section 2C	14	\$20,128.29	04/03/12			\$18,549.10	Closed
	Edinburgh Phase 2, Section 2E	8	\$25,177.34	10/02/12			\$23,403.87	Closed
	Edinburgh Phase 2, Section 2F	9	\$19,382.60	05/07/13			\$17,792.14	Closed
	Edinburgh Phase 4	17	\$65,033.97	07/24/13			\$60,735.18	Closed
	Edinburgh Phase V	12	\$51,965.42	10/7/2014			\$48,501.91	Closed
	Edinburgh Phase VII	20	\$27,552.51	6/2/2015			\$25,162.11	Closed
	Edinburgh Phase 9	6	\$5,917.93	5/5/2016			\$5,386.74	Closed
	Edinburgh Phase 10	10	\$38,265.22	3/1/2017			\$34,953.21	Closed
	Edinburgh South Phase 1	23	\$36,694.42	11/1/2016			\$33,722.81	Closed
	Edinburgh Phase 11	14	\$26,250.40	6/19/2018			\$23,984.14	Closed
	Edinburgh S. Phase 2 Gibson Spr	24	\$28,924.56	5/5/2020				Open
	Edinburgh S. Phase 3 Gibson Spr	19	\$38,378.10	10/15/2019			\$35,631.30	Closed
	Edinburgh Phase 12	13	\$12,752.16	7/23/2019				Open
Jerry Petzoldt	Old Island Phase II	59	\$118,027.86	05/06/08	45	41	\$111,538.58	Closed
Jim Nottingham	Riverwatch	29	\$47,605.13	04/15/08	21	20	\$44,680.99	Closed
Harold Slomp & Jack McMurray	Villas at Andover - Polo Fields	104	\$76,522.72	08/07/07	46	45	\$70,722.51	Closed
George Hunt	Hunts Crossing Phase II	22	\$18,375.20	04/15/08	6	6	\$16,883.63	Closed
Rob McLean	Anchor Point	80	\$72,552.51	07/15/08	42	41	\$66,603.46	Closed
	Anchor Point - Topsail Court	Included in Anchor Point	\$3,816.08	08/05/08		0		Closed
	Stapleton Dr Phase I	7	\$8,757.81	08/19/08	4	4	\$8,203.18	Closed
Ken Bates	Chase Meadows Phase I (reim for 1)	15	\$39,418.91	07/15/08	Total of 63	56	\$31,518.06	Closed
	Chase Meadows Phase II (amt not paid)	87	(\$68,096.96)	08/19/08				Closed
Terry Orth	Autumn Woods Phase I	19	\$30,628.25	10/07/08	19	19	\$28,588.47	Closed
	Autumn Woods Phase II	51	\$97,091.46	09/01/09	43	42	\$91,166.09	Closed
Gary Alexander	Riverbend Phase I	15	\$32,767.17	02/03/09	10	0	\$26,351.32	Closed
	Riverbend - Epcon Phase II (tabled 1/10/11)	9	(\$33,171.54)	02/01/11				Closed
Leonard & Cynthia Gerber	St. Andrew's Garth Phase I	40	\$34,049.03	03/16/10	8	8	\$30,938.04	Closed
Jane Karst	Jane Karst Subdivision	4	\$4,100.78	09/20/11			\$3,799.14	Closed
M & M Builders	Brookton Park Subdivision	7	\$2,145.88	09/20/11	7	7	\$1,959.94	Closed
Vic Davis	The Summitt at Preston Park Ph. 3	20	\$79,327.82	12/03/13	4	3	\$70,967.77	Closed
	TOTAL	921	\$1,214,225.48		574	516	\$1,165,977.77	

Revised 01/29/21



AGENDA ACTION FORM

Enter into a Materials Agreement with LandStar, LLC, Related to the North Park Phase 1 Development and an Ordinance to Appropriate the Funds

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

Action Form No.: AF-40-2021
Work Session: February 15, 2021
First Reading: February 16, 2021

Final Adoption: March 2, 2021
Staff Work By: David Harris
Presentation By: R. McReynolds

Recommendation:

Approve the Resolution and Ordinance.

Executive Summary:

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

Pursuant to the policy, LandStar, LLC has requested that the proposed North Park Phase 1 Development, be allowed to participate in the materials agreement program. The total amount of the agreement is proposed at \$10,676.37 for a new thirty three (33) lot development.

To date, including this development, the program has supported 921 new/proposed lots within the City of Kingsport. Of those lots, 574 Building Permits and 516 Certificates of Occupancy have been issued to date.

Attachments:

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

Funding source appropriate and funds are available: *pm*

The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: *200*

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH LANDSTAR, LLC RELATED TO NORTH PARK PHASE 1 DEVELOPMENT AND AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, LandStar, LLC would like to enter into a Materials Agreement for the provision of certain water and sewer materials by the city for North Park Phase 1, a 33 lot development in the city; and

WHEREAS, the total amount of the agreement as proposed is \$10,676.37.

Now, therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, a Materials Agreement with LandStar, LLC to provide certain water and sewer materials by the city for North Park Phase 1, in the amount of \$10,676.37, and the mayor is further authorized and directed to execute all documents necessary and proper to effectuate the purpose of the agreement, said agreement being as follows:

MATERIALS AGREEMENT

This AGREEMENT made and entered into on this 16th day of February, 2021, by and between the LandStar, LLC. hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

1. The Developer has subdivided a tract of land known as North Park Gate Phase 1, and preliminary approval having been heretofore granted by the Planning Commission.
2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 460 LFT of Waterline to construct.
3. The estimated cost of the materials listed in paragraph 2 above is approximately \$10,676.37. The Developer will purchase this material from the City for use for construction pursuant to this contract only.
4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.
5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.
6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.
7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.
8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.

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

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

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

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

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

[Acknowledgements Deleted for Inclusion in this Resolution]

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

SECTION IV. That the board finds that this materials agreement promotes the use of high-quality and uniform materials in the construction of certain water and sanitary sewer infrastructure in new residential development in the city, which infrastructure will be a part of the city owned water and sanitary sewer systems as publicly owned infrastructure, and this will reduce future maintenance costs for the city's water and sanitary sewer systems caused by the use of substandard materials, and that the actions authorized by this resolution are in the public interest and 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 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE WATER PROJECT FUND BY TRANSFERRING FUNDS TO THE NORTH PARK PHASE 1 MATERIALS AGREEMENT PROJECT (WA2153); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Water Project Fund budget be amended by decreasing the funds transferred from the Water Fund operating budget by \$9,750 to the North Park Phase 1 project (WA2153) to fund the materials agreement.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Water Project Fund:451</u>			
<u>North Park Phase 1 (WA2153)</u>			
<u>Revenues</u>			
451-0000-391.45-00 From the Water Fund	\$0	\$9,750	\$9,750
Totals:	\$0	\$9,750	\$9,750
<u>Expenditures:</u>			
451-0000-605.90-03 Improvements	\$0	\$9,750	\$9,750
Totals:	\$0	\$9,750	\$9,750

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

PATRICK W. SHULL, Mayor

ATTEST:

ANGELA MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

MATERIALS AGREEMENT

This AGREEMENT made and entered into on this 16th day of February, 2021, by and between the LandStar, LLC. Hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

1. The Developer has subdivided a tract of land known as North Park Phase 1, and preliminary approval having been heretofore granted by the Planning Commission.
2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 460 LFT of Waterline to construct.
3. The estimated cost of the materials listed in paragraph 2 above is approximately \$10,676.37. The Developer will purchase this material from the City for use for construction pursuant to this contract only.
4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.
5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.
6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.
7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.
8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.
9. The Developer will pay the City for the materials listed above and supplied by the City, and upon completion of the laying of water and sewer lines according to specification of and the plans approved by the City, and upon the Developer fully performing all the requirements contained in this agreement the City will reimburse the Developer for the amount paid to the City for the pipe purchased and used in the subdivision, less state and local sales tax.
10. The purpose of this agreement is to reimburse the Developer for 100% of cost of the water and sewer material, less state and local sales tax, with said materials being purchased from the City, and reimbursement for the cost of the materials being made to the Developer subject to the satisfactory completion of all terms of this agreement including complete annexation of the property into the corporate limits of the City.
11. It is understood that the Developer will do any and all ditching, laying of the pipelines, and any and all other work that may be necessary to meet the specifications of the City.
12. Any unused materials acquired by the Developer from the City will be returned to the City and the costs of such material, if returned undamaged, will be credited to the Developer.

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



Developer

Patrick W. Shull, Mayor

Attest:

Approved as to form:

Sidney H. Cox, City Recorder

J. Michael Billingsley, City Attorney

Materials Agreement

Project: North Park Phase 1
 Date: February 9, 2021
 Developer: LandStar, LLC

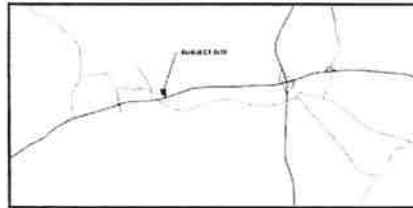
File No.: 2020-D24

Water Line		Anticipated		Estimated	
Item #	Item Description	Units	U/M	Price	Total
41810	6" x 18' D.I. Pipe	27.00	Joints	\$269.82	\$7,285.14
42120	4' Bury Hydrant	1.00	each	\$1,610.00	\$1,610.00
42325	6" MJ Gate Valve	1.00	each	\$479.70	\$479.70
43032	6x6x6 Anchor Tee	1.00	each	\$84.06	\$84.06
42845	6" x 18" MJ Anchor Coupling	1.00	each	\$92.52	\$92.52
42550	6" MJ 45 Bend	2.00	each	\$41.25	\$82.50
42555	6" MJ 22.5 Bend	3.00	each	\$38.73	\$116.19
Building Code					
	Receipt To:				
Subtotal:	451-0000-208-1250				\$9,750.11
Sales Tax:	451-0000-207-0201			9.50%	\$926.26
Project #	WA2153			Water Total:	\$10,676.37
	Expense To:				
Water Acct. #	451-0000-605-9003			Grand Total:	\$10,676.37



SITE DEVELOPMENT PLAN

North Park Housing Development Kingsport Tennessee



SITE LOCATION MAP
NOT TO SCALE

SHEET INDEX

SHEET 1	COVER SHEET
SHEET 2	DEMOLITION PLAN
SHEET 3	SITE PLAN
SHEET 4	UTILITY PLAN
SHEET 5	STORM WATER PLAN
SHEET 5A	STORM STRUCTURE WATERSHED MAP
SHEET 5B	STORM SEWER PROFILES
SHEET 6	EROSION AND SEDIMENT CONTROL PLAN - PHASE I
SHEET 7	EROSION AND SEDIMENT CONTROL PLAN - PHASE II
SHEET 8	WATERSHED MAP
SHEET 9	STORM WATER DETENTION STRUCTURE
SHEET 10	NOTES AND DETAILS

PROPERTY OWNER

Land Star LLC
Parcel ID 037022 07300
CONTACT PERSON Brandon Stamper
ADDRESS 600 Stonegate Road
Kingsport, TN 37664
TELEPHONE 423 953 0196

Digitally
signed by
Paul Maggard
Date:
2021.01.14
09:29:22
-05'00'



LandStar, LLC
Cover Sheet
North Park Housing Development
Kingsport, Tennessee

GRESS
ENGINEERING

P.O. BOX 245
Dunlap, VA 24605
PHONE: 276 359 4440

Issue: 2/21/2020
Checked: PM
Approved: PM
Drawn: EJD
Plotted: EJD
Checked Again: EJD
Reviewed: EJD



Abstract: The purpose of this study was to determine the effect of a 12-week training program on the physical fitness and health of sedentary, middle-aged men. The program consisted of three sessions per week, each lasting 45 minutes. The sessions included aerobic exercise, strength training, and flexibility exercises. The results showed that the participants experienced significant improvements in cardiovascular fitness, muscle strength, and flexibility. Additionally, there was a significant decrease in body weight and body fat percentage. The study concluded that a 12-week training program can effectively improve the physical fitness and health of sedentary, middle-aged men.

P.O. BOX 245
STAFFORD, VA 22450
PHONE: 703-223-4442

4

LandStar, LLC
Utility Plan
North Park Housing Development
Kingsport, Tennessee

City of Kingsport
MATERIALS AGREEMENT

Developer	Development	Proposed Lots/Development	Agreement Amt.	Date	Bldg. Permits	CO's	Reim to Dev	Status
Butch Rose	Hillcrest Heights	6	\$5,140.09	06/19/07	3	3	\$4,636.74	Closed
	Windridge Phase IV	40	\$92,202.29	04/15/08	16	15	\$85,648.47	Closed
Jeff McKee	Settler's Ridge Phase I	41	\$45,344.29	03/20/07	Total of 7	7	\$41,214.30	Closed
	Settler's Ridge Phase II	7	\$18,822.89	11/06/07			\$17,439.89	Closed
Edinburgh Group LLC	Edinburgh Phase IA, Section 1	32	\$42,867.62	02/19/07	Total of 230	199	\$39,474.82	Closed
	Edinburgh Phase IA, Section 2	15	\$25,205.92	04/17/07			\$23,273.53	Closed
	Edinburgh Phase 2, Section 1A	6	\$2,852.48	02/02/10			\$2,659.62	Closed
	Edinburgh Phase 2, Section 2	6	\$11,976.02	11/16/10			\$11,116.69	Closed
	Edinburgh Phase 2, Section 2B	11	\$9,472.85	10/18/11			\$8,770.02	Closed
	Edinburgh Phase 2, Section 2C	14	\$20,128.29	04/03/12			\$18,549.10	Closed
	Edinburgh Phase 2, Section 2E	8	\$25,177.34	10/02/12			\$23,403.87	Closed
	Edinburgh Phase 2, Section 2F	9	\$19,382.60	05/07/13			\$17,792.14	Closed
	Edinburgh Phase 4	17	\$65,033.97	07/24/13			\$60,735.18	Closed
	Edinburgh Phase V	12	\$51,965.42	10/7/2014			\$48,501.91	Closed
	Edinburgh Phase VII	20	\$27,552.51	6/2/2015			\$25,162.11	Closed
	Edinburgh Phase 9	6	\$5,917.93	5/5/2016			\$5,386.74	Closed
	Edinburgh Phase 10	10	\$38,265.22	3/1/2017			\$34,953.21	Closed
	Edinburgh South Phase 1	23	\$36,694.42	11/1/2016			\$33,722.81	Closed
	Edinburgh Phase 11	14	\$26,250.40	6/19/2018			\$23,984.14	Closed
	Edinburgh S. Phase 2 Gibson Spr	24	\$28,924.56	5/5/2020				Open
	Edinburgh S. Phase 3 Gibson Spr	19	\$38,378.10	10/15/2019			\$35,631.30	Closed
	Edinburgh Phase 12	13	\$12,752.16	7/23/2019				Open
Jerry Petzoldt	Old Island Phase II	59	\$118,027.86	05/06/08	45	41	\$111,538.58	Closed
Jim Nottingham	Riverwatch	29	\$47,605.13	04/15/08	21	20	\$44,680.99	Closed
Harold Slomp & Jack McMurray	Villas at Andover - Polo Fields	104	\$76,522.72	08/07/07	46	45	\$70,722.51	Closed
George Hunt	Hunts Crossing Phase II	22	\$18,375.20	04/15/08	6	6	\$16,883.63	Closed
Rob McLean	Anchor Point	80	\$72,552.51	07/15/08	42	41	\$66,603.46	Closed
	Anchor Point – Topsail Court	Included in Anchor Point	\$3,816.08	08/05/08		0		Closed
	Stapleton Dr Phase I	7	\$8,757.81	08/19/08	4	4	\$8,203.18	Closed
Ken Bates	Chase Meadows Phase I (reim for 1)	15	\$39,418.91	07/15/08	Total of 63	56	\$31,518.06	Closed
	Chase Meadows Phase II (amt not paid)	87	(\$68,096.96)	08/19/08				Closed
Terry Orth	Autumn Woods Phase I	19	\$30,628.25	10/07/08	19	19	\$28,588.47	Closed
	Autumn Woods Phase II	51	\$97,091.46	09/01/09	43	42	\$91,166.09	Closed
Gary Alexander	Riverbend Phase I	15	\$32,767.17	02/03/09	10	0	\$26,351.32	Closed
	Riverbend - Epcon Phase II (tabled 1/10/11)	9	(\$33,171.54)	02/01/11				Closed
Leonard & Cynthia Gerber	St. Andrew's Garth Phase I	40	\$34,049.03	03/16/10	8	8	\$30,938.04	Closed
Jane Karst	Jane Karst Subdivision	4	\$4,100.78	09/20/11			\$3,799.14	Closed
M & M Builders	Brookton Park Subdivision	7	\$2,145.88	09/20/11	7	7	\$1,959.94	Closed
Vic Davis	The Summitt at Preston Park Ph. 3	20	\$79,327.82	12/03/13	4	3	\$70,967.77	Closed
	TOTAL	921	\$1,214,225.48		574	516	\$1,165,977.77	

Revised 01/29/21



AGENDA ACTION FORM

Budget Adjustment Ordinance for Various Funds in FY21

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

Action Form No.: AF-46-2021
 Work Session: February 1, 2021
 First Reading: February 2, 2021

Final Adoption: February 16, 2021
 Staff Work By: Morris
 Presentation By: McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

The General Projects-Special Revenue Fund budget is being amended by transferring \$10,000 from the General Projects project (GP2100) to the Enhanced Landscaping project (NC2107).

The Water Project Fund is being amended by appropriating \$387 in unappropriated FY13 Bond funds and to the Water Line Imp project (WA1801) and transferring \$387 from the Water Line Imp project (WA1801) to the Waterline Imp O&M project (WA2100). Close WA1801.

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: *CM*

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

ORDINANCE NO.

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

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

SECTION I. That the General Projects-Special Revenue Fund be amended by transferring \$10,000 from the General Projects project (NC2100) to the Enhanced Landscaping project (NC2107).

SECTION II. That the Water Project Fund is being amended by appropriating \$387 in unappropriated FY13 Bond funds and to the Water Line Imp project (WA1801) and transferring \$387 from the Water Line Imp project (WA1801) to the Waterline Imp O&M project (WA2100). Close WA1801.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>General Projects-Special Revenue Fund: 111</u>			
<u>General Projects (NC2100)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-391.01-00 From General Fund	99,175	(10,000)	89,175
Totals:	99,175	(10,000)	89,175
<u>Expenditures:</u>	\$	\$	\$
111-0000-601.90-03 Improvements	99,175	(10,000)	89,175
Totals:	99,175	(10,000)	89,175
<u>Enhanced Landscaping (NC2107)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-391.01-00 From General Fund	150,000	10,000	160,000
Totals:	150,000	10,000	160,000
<u>Expenditures:</u>	\$	\$	\$
111-0000-601.20-23 Arch/Eng/Landscaping Serv	150,000	10,000	160,000
Totals:	150,000	10,000	160,000
<u>Fund 451: Water Project Fund</u>			
<u>Water Line Improvements (WA1801)</u>			
<u>Revenues:</u>	\$	\$	\$
451-0000-333.77-00 Washington County	55,900	0	55,900
451-0000-391.05-29 Series 2013 B GO Pub Imp	54,895	0	54,895
451-0000-391.05-40 2015 A (Oct) GP Pub Imp	13,481	0	13,481
451-0000-391.45-00 From Water Fund	605,000	0	605,000
451-0000-391.46-00 Reserve Outside City Imp	23,640	0	23,640
Totals:	752,916	0	752,916

<u>Expenditures:</u>	\$	\$	\$
451-0000-601-9021 New Dist Lines	15,144	0	15,144
451-0000-601-9022 Hydrants	31,619	0	31,619
451-0000-601-9023 New Meters	133,115	0	133,115
451-0000-605-9024 Replacement Meters	105,314	0	105,314
451-0000-605-9025 Replacement Dist Lines	467,724	0	467,724
<i>Totals:</i>	752,916	0	752,916

Waterline Imp O&M (WA2100)

<u>Revenues:</u>	\$	\$	\$
451-0000-391.05-29 Series 2013 B GO Pub Imp	0	387	387
451-0000-391.45-00 From Water Fund	850,000	0	850,000
<i>Totals:</i>	850,000	387	850,387

<u>Expenditures:</u>	\$	\$	\$
451-0000-601-9021 New Dist Lines	20,000	0	20,000
451-0000-601-9022 Hydrants	60,000	0	60,000
451-0000-601-9023 New Meters	120,000	387	120,387
451-0000-605-9024 Replacement Meters	150,000	0	150,000
451-0000-605-9025 Replacement Dist Lines	500,000	0	500,000
<i>Totals:</i>	850,000	387	850,387

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

PATRICK W. SHULL, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

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



AGENDA ACTION FORM

Awarding the Bid for Landscape Maintenance Services

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

Action Form No.: AF-52-2021
 Work Session: February 15, 2021
 First Reading: NA

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened on January 20, 2021 for the Irrigation & Landscape Maintenance Services located at various gateways areas throughout the city. The advertisement for the Invitation to Bid was published in the Kingsport Times News on December 30, 2020 and placed on our website for 21 calendar days.

It is the recommendation of the committee to accept the apparent low bid from Boehm Landscape Management Inc. in the amount of \$143,137.00 which is inclusive 24 areas to be maintained.

Funding is identified in Project # GP2016 & # NC2107.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo

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: *20*

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

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR LANDSCAPE
MAINTENANCE SERVICES FOR VARIOUS LOCATIONS IN
KINGSPORT TO BOEHM LANDSCAPE MANAGEMENT, INC.

WHEREAS, on January 20, 2021, bids were opened for the landscape maintenance services at various locations, including gateway areas; and

WHEREAS, upon review of the bids, the board finds Boehm Landscape Management Inc., is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract with Boehm Landscape Management Inc., for the landscape maintenance services at various locations, including gateway areas is an amount not to exceed \$143,137.00; and

WHEREAS, it is the recommendation of the committee to accept the apparent low bid from Boehm Landscape Management Inc., in an amount not to exceed \$143,137.00, which includes the base bid and all alternatives; and

WHEREAS, funding is identified in Project No. GP2016 and NC2107.

Now therefore,

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

SECTION I. That the bid for the landscape maintenance services is awarded to Boehm Landscape Management Inc. in an amount not to exceed \$143,137.00, which includes the base bid and all alternatives.

SECTION II. The mayor is authorized and hereby directed to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES BID OPENING

January 20, 2021

4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Assistant Procurement Manager; Lewis Bausell, Landscape Grounds Supervisor; Tamra Rossi, Landscape Grounds Coordinator

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

The Procurement Manager opened with the following bids:

IRRIGATION & LANDSCAPE MAINTENANCE SERVICES		
Vendor:	Total Cost:	Comments:
Premiere Landscape Inc. DBA Premier Landscape Inc.	\$153,000.00	
Boehm Landscape Management Inc.	\$143,137.00	White out has been used on bid form

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

Memorandum

January 26, 2021

To: Nikisha Eichmann, Assistant Procurement Manager

From: Lewis A. Bausell, Landscape Specialist

Subject: Recommendation of Award of Bid for Irrigation and Landscaping Services

After reviewing the bids for the Irrigation and Landscaping Services, it is our recommendation that it be awarded in its entirety to Boehm Landscaping Management Inc.

Money is available in project numbers GP2016 & NC2107.

If there are any questions, please contact me at your convenience. Thanks.



AGENDA ACTION FORM

Awarding the Bid for Mowing of Various Locations

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

Action Form No.: AF-51-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened January 20, 2021 for Mowing and Trimming Services located at various locations throughout the City. The advertisement for the Invitation to Bid was published in the Kingsport Times News on December 30, 2020 and placed on our website for 21 calendar days.

It is the recommendation of the committee to accept the apparent low bid from Yard Dogs Lawn Care & Landscaping in the amount of not to exceed \$94,675.00 for the mowing season which is inclusive 36 areas to be maintained.

Funding is identified in Account # 62140324632099 for item 1, 11040334632020 for items 2-14, Project # GP2016 & NC2107 for items 15-33 plus 35 & 36, and 11045154712020 for item 34.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo

Funding source appropriate and funds are available: *Jan*

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: *2W*

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

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR MOWING AND TRIMMING SERVICES TO YARD DOGS LAWN CARE & LANDSCAPING AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened January 20, 2021, for mowing and trimming services at 36 various locations; and

WHEREAS, upon review of the bids, the board finds Yard Dogs Lawn Care & Landscaping is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract for mowing and trimming services for 36 various locations from Yard Dogs Lawn Care & Landscaping at an estimated cost of \$94,675.00; and

WHEREAS, funding is identified in account numbers # 62140324632099, 11040334632020, project numbers GP2016 and NC2107, and 11045154712020.

Now therefore,

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

SECTION I. That the bid for mowing and trimming services at 36 locations at an estimated cost of \$94,675.00 is awarded to Yard Dogs Lawn Care & Landscaping, and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES BID OPENING

January 20, 2021

4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Assistant Procurement Manager; Lewis Bausell, Landscape Grounds Supervisor; Tamra Rossi, Landscape Grounds Coordinator

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

The Procurement Manager opened with the following bids:

MOWING & TRIMMING OF VARIOUS LOCATIONS	
Item #:	Yard Dogs Lawncare & Landscaping
1	\$ 30.00
2	\$ 50.00
3	\$ 70.00
4	\$150.00
5	\$ 70.00
6	\$200.00
7	\$ 15.00
8	\$ 50.00
9	\$ 85.00
10	\$ 40.00
11	\$ 40.00
12	\$175.00
13	\$ 15.00
14	\$ 15.00
15	\$ 70.00
16	\$ 35.00
17	\$ 15.00
18	\$175.00
19	\$175.00
20	\$ 30.00
21	\$300.00
22	\$125.00
23	\$100.00
24	\$ 80.00
25	\$ 20.00
26	\$ 20.00
27	\$ 20.00
28	\$ 40.00
29	\$ 25.00
30	\$ 35.00
31	\$ 75.00
32	\$ 60.00
33	\$ 60.00
34	\$140.00
35	\$ 70.00
36	\$ 30.00

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

Memorandum

January 26, 2021

To: Nikisha Eichmann, Assistant Procurement Manager

From: Lewis A. Bausell, Landscape Specialist

Subject: Recommendation of Award of Bid for Mowing Services

After reviewing the bid for the Mowing and Trimming Services, it is our recommendation that it be awarded in its entirety to Yard Dogs Lawn Care and Landscaping.

Money is available in:

- Account # 62140324632099 for item 1
- Account # 11040334632020 for items 2-14
- Project # GP2016 & NC2107 for items 15-33 plus 35 & 36
- Account # 11045154712020 for item 34.

If there are any questions, please contact me at your convenience. Thanks.



AGENDA ACTION FORM

Awarding the Bid for the Purchase of Various Water and Sewer Maintenance Items

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

Action Form No.: AF-59-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: C. McCartt, R. McReynolds

Recommendation: Approve the Resolution.

Executive Summary:

Bids were opened on January 13, 2021 for the purchase of various water & sewer maintenance inventory items stocked at the Water & Sewer Department warehouse located @ 1213 Konnarock Road. The bid was issued to secure pricing for a twelve month time frame and included a total of 890 items to be purchased on an as needed basis.

The bid invitation was publicly advertised on December 13, 2020 in the Kingsport Times News and downloadable bid documents were posted on the Purchasing Department's website for a time period of 31 calendar days. Bids were received from 10 vendors and low bids from four of those vendors were in excess of \$50,000.00 for various items. As a result of those four bidders offering pricing on various items in excess of \$50,000.00 BMA approval is required for those bids only. Nine bidders are to be awarded purchase orders as a result of their replies to this bid.

The bid from Consolidated Pipe & Supply offered low pricing for various items totaling \$211,409.75. The bid from Ferguson Enterprises offered low pricing for various items totaling \$347,545.74. The bid from G & C Supply offered low pricing for various items totaling \$242,356.40. The bid from Core & Main offered low pricing for various items totaling \$431,871.67.

The City is not required to purchase any of the items from this bid unless and until those items are needed as defined by the requirements of the bid. The City reserves the right to determine the low bidder either on the basis of the individual items or on the basis of all items included in its Invitation to Bid. Funding is identified in account number 41100001410000.

Attachments:

1. Resolution
2. Bid Opening Minutes available for review @ <https://www.kingsporttn.gov/city-services/purchasing/>
3. Bid Award Summary

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: *2W*

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

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR PURCHASE OF VARIOUS WATER AND SEWER MAINTENANCE ITEMS TO CONSOLIDATED PIPE & SUPPLY, INC., FERGUSON ENTERPRISE, CORE & MAIN, INC., AND G&C SUPPLY, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

WHEREAS, bids were opened January 13, 2021, for the purchase of various water and sewer maintenance inventory items stocked at the water and sewer departments located at 1213 Konnarock Road; and

WHEREAS, upon review of the bids, the board finds that Consolidated Pipe & Supply, Inc., Ferguson Enterprise, Core & Main, Inc., and G&C Supply, Inc., are the lowest responsible compliant bidders meeting specifications for the particular grade or class of material, work or services desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase various water and sewer maintenance inventory items as set out in the Water/Sewer Maintenance bid opening minutes, available for review at <https://www.kingsporttn.gov/city-services/purchasing/>, from Consolidated Pipe & Supply, Inc. at an amount up to \$211,409.75, Ferguson Enterprise. at an amount up to \$347,545.74, Core & Main, Inc. at an amount up to \$431,871.67, and G&C Supply, Inc. at an amount up to \$242,356.40; and

WHEREAS, funding is identified in account number 41100001410000;

Now therefore,

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

SECTION I. That the bid for purchase of water and sewer maintenance inventory items as set out in the "Water Sewer Maintenance Items Award Summary Bid Opening Date January 13, 2021" attached hereto as Exhibit A and further detailed in the "Various Water/Sewer Items-Bid Opening date January 13, 2021", available for review at <https://www.kingsporttn.gov/city-services/purchasing/>, for use by the water and sewer department is awarded to Consolidated Pipe & Supply, Inc. at an amount up to \$211,409.75, and the city manager is authorized and directed to execute a purchase order for the same.

SECTION II. That the bid for purchase of water and sewer maintenance inventory items as set out in the "Water Sewer Maintenance Items Award Summary Bid Opening Date January 13, 2021" attached hereto as Exhibit A, and further detailed in the "Various Water/Sewer Items-Bid Opening date January 13, 2021", available for review at <https://www.kingsporttn.gov/city-services/purchasing/>, for use by the water and sewer department is awarded to Ferguson Enterprise, at an amount up to \$347,545.74, and the city manager is authorized and directed to execute a purchase order for the same.

SECTION III. That the bid for purchase of water and sewer maintenance inventory items as set out in the "Water Sewer Maintenance Items Award Summary Bid Opening Date January 13, 2021" attached hereto as Exhibit A and further detailed in the "Various Water/Sewer Items-Bid Opening date January 13, 2021", available for review at <https://www.kingsporttn.gov/city-services/purchasing/>, for use by the water and sewer department is awarded to Core & Main, Inc.

at an amount up to \$431,871.67 and the city manager is authorized and directed to execute a purchase order for the same.

SECTION IV. That the bid for purchase of water and sewer maintenance inventory items as set out in the "Water Sewer Maintenance Items Award Summary Bid Opening Date January 13, 2021" attached hereto as Exhibit A and further detailed in the "Various Water/Sewer Items-Bid Opening date January 13, 2021", available for review at <https://www.kingsporttn.gov/city-services/purchasing/>, for use by the water and sewer department is awarded to G&C Supply, Inc., at an amount up to \$242,356.40, and the city manager is authorized and directed to execute a purchase order for the same.

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ATTACHMENT A

Water Sewer Maintenance Items Bid Award Summary

Bid Opening Date – January 13, 2021

Vendor	Purchase Order #	Amount
Consolidated Pipe & Supply	X02086	\$211,409.75
Ferguson Enterprises	X02087	\$347,545.74
G & C Supply	X02088	\$242,356.40
Core & Main	X02089	\$431,871.67
General Rubber & Plastics	X02090	\$1,000.00
Northern Safety & Industrial	X02091	\$12,011.96
Summers Industrial	X02092	\$18,322.20
Tri-State Complete	X02093	\$2,836.99
Ford Systems	X02094	\$723.05



AGENDA ACTION FORM

Award of Bid to Summers-Taylor, Inc. for 2021 Contracted Paving Area 35B – Eastern Star

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

Action Form No.: AF-55-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Staff
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened on January 28, 2021 for the 2021 Contracted Paving Area 35B – Eastern Star project. This project consists of placement of approximately 3,900 tons of asphalt on selected roads / streets in the Eastern Star area of the City of Kingsport. Project also includes milling, asphalt markings, and other associated work. The project shall be completed by June 5, 2021.

City staff reviewed the bids and recommends awarding the contract to the apparent low bidder, Summers-Taylor, Inc. in the amount of \$746,785.00.

Base Bid	\$746,785.00
Engineering Inspection & Admin 6%	47,496.00
Contingency 6%	44,807.00
Total Project Cost	\$839,088.00

The base engineering estimate for the referenced project is \$760,310.00.

Funding is available and identified in GP1228 and GP2100.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Map

Funding source appropriate and funds are available: *gm*

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: *gm*

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

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR THE 2021 CONTRACTED PAVING AREA 35B-EASTERN STAR AREA PROJECT TO SUMMERS-TAYLOR, INC., AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened January 28, 2021, for the 2021 Contracted Paving Area 35B – Eastern Star project; and

WHEREAS, upon review of the bids, the board finds Summers-Taylor, Inc. is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the city desires to enter into a contract consisting of placement of approximately 3,900 tons of asphalt on selected roads / streets in the Eastern Star area and also includes milling, asphalt markings, and other associated work from Summers-Taylor, Inc., at an estimated construction cost of \$746,785.00; and

WHEREAS, funding is identified in project numbers GP1228 and GP2100.

Now therefore,

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

SECTION I. That the bid for the 2021 Contracted Paving Area 35B – Eastern Star project, consisting of placement of approximately 3,900 tons of asphalt on selected roads and streets in the Eastern Star area and also includes milling, asphalt markings, and other associated work at an estimated cost of \$746,785.00 is awarded to Summers-Taylor, Inc., and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
BID OPENING
January 28, 2021
4:00 P.M.

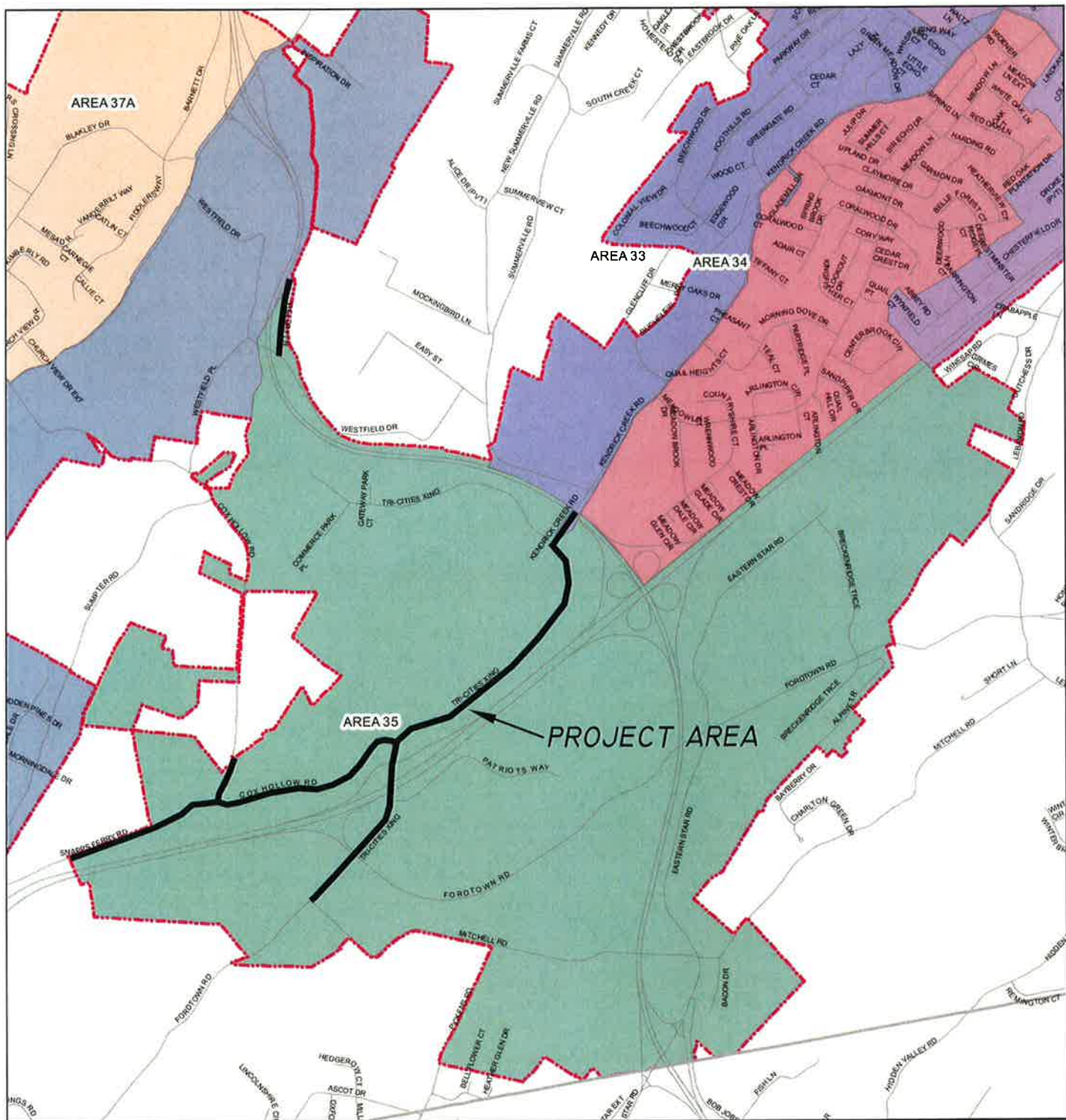
Present: Brent Morelock, Procurement Manager; and Nikisha Eichmann, Assistant Procurement Manager

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

The Procurement Manager opened with the following bids:

2021 Contracted Paving Area 35B	
Vendor:	Total Cost:
Summers-Taylor	\$746,785.00
W-L Construction & Paving	\$791,201.20

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



**AREA 35B
STREET PAVING
PROJECT LOCATION MAP**

2020-CII



AGENDA ACTION FORM

Authorizing the Purchase of Laptops from Dell, Inc. for Teachers and Student Resource Officers in the Kingsport City School System

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

Action Form No.: AF-60-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: D. Frye / T. Robinson

Recommendation:

Approve the Resolution.

Executive Summary:

Kingsport City Schools recommend purchasing (200) Dell Latitude 5510 laptops for Teachers in the Kingsport City School system at \$1,177.94 each and (4) Dell Optiplex 3070 for Student Resource Officers at \$791.59 each for a total cost of \$238,754.36.

Kingsport City Schools received (3) Quotes that are based on cooperative agreements or contracts from other local school systems. The lowest quote received was from Dell, Inc. who holds a contract# (C000000381302) with Wilson County School District for computers and associated devices. The contract permits other state and local governments, including school districts to purchase under the agreement.

The Board of Education approved this purchase on February 9, 2021. It is now recommended that the Board of Mayor and Aldermen approve the resolution authorizing the purchase of (200) Dell Latitude 5510 laptops and (4) Dell Optiplex 3070 with FY21 Funds for \$238,754.36.

Funding will come from account number 141-7161-711.07-22 (FY21)

Attachments:

1. Resolution
2. Recommendation / Quote

Funding source appropriate and funds are available: *CM*

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

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO
EXECUTE A PURCHASE ORDER TO DELL, INC. FOR 200 DELL
LATITUDE 5510 LAPTOPS FOR TEACHERS AND 4 DELL
OPTIPLEX 3070 DEVICES FOR STUDENT RESOURCE
OFFICERS AT KINGSPORT CITY SCHOOLS

WHEREAS, the Kingsport City School administration recommends the purchase of 200 Dell Latitude 5510 Laptops to replace teacher devices and 4 Dell Optiplex 3070 Devices for Student Resource Officers in the Kingsport City School system; and

WHEREAS, the cost is \$1,177.94 for each Dell Latitude 5510 and \$791.59 for each Dell Optiplex 3070 Device, for a total cost of \$238,754.36; and

WHEREAS, T.C.A. Section 12-3-1203 authorizes in-state "piggyback" contracts whereby local governments in Tennessee may purchase supplies, goods, equipment and services under the same terms as a legal bid initiated by any other city, county, utility district, or other local government unit in Tennessee; and

WHEREAS, Dell, Inc. currently has a contract# (C000000381302) with Wilson County School District; and

WHEREAS, in order to purchase the computers, a purchase order needs to be issued to Dell, Inc., in the amount of \$238,754.36; and

WHEREAS, funding for this equipment is available in schools account number 141-7161-711-07-22.

Now therefore,

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

SECTION I. That the city manager is authorized to execute a purchase order to Dell, Inc., for the purchase of 200 Dell Latitude 5510 laptops and 4 Dell Optiplex 3070 devices for use by Kingsport City Schools in the amount of \$238,754.36.

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 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MEMORANDUM

TO: Board of Mayor and Aldermen

FROM: David Frye, KCS Chief Finance Officer

DATE: February 9, 2021

SUBJECT: Teacher and SRO Device Purchase

KCS FY21 Technology budget currently has funds to replace some of the older computers utilized by teachers and Student Resource Officers. Quotes were requested from (3) computer vendors which include pricing based on procurement cooperative agreements or other bids from other state contracts. The quotes range in price from \$1,177.94 to \$1,672.00 per laptop and docking station. Quotes range from \$791.59 to \$1075.00 for Dell Optiplex 3070. The total cost for (200) laptops and docking stations, based on the low quote submitted by Dell is \$235,588.00. The Dell quote was submitted with pricing based on Contract# C000000381302. The total cost for (4) Dell Optiplex 3070 devices, based on the low quote submitted by Dell is \$3,166.36.

The Board of Education approved the purchase on February 8, 2021. It is recommended that the Board of Mayor and Aldermen approve the purchase of (200) laptops and docking stations for \$235,588.00 and (4) Optiplex 3070 for \$3,166.36. Total Purchase Cost for Teacher and SRO Devices is **\$238,754.36**. Funding for this purchase is available within the FY21 Technology budget.

200 Teacher Laptop Devices

Vendor	Model	U nit	Docking Station	Total U nit Cost	Total Cost
Dell	Dell Latitude 5510	\$1,005.09	\$172.85	\$1,177.94	\$235,588.00
CDW	Dell Latitude 5510	\$1,199.00	\$250.00	\$1,449.00	\$289,800.00
Insight	Dell Latitude 5510	\$1,510.00	\$162.00	\$1,672.00	\$334,400.00

4 SRO Devices

Vendor	Model	U nit	Total U nit Cost	Total Cost
Dell	Optiplex 3070	\$791.59	\$791.59	\$3,166.36
Insight	Optiplex 3070	\$1,010.00	\$1,010.00	\$4,040.00
CDW	Optiplex 3070	\$1,075.00	\$1,075.00	\$4,300.00



AGENDA ACTION FORM

Enter into an Agreement with Thyssenkrupp Elevator Corporation for Elevator Maintenance Services for Kingsport City School Utilizing the National Cooperative Purchasing Alliance (NCPA) Cooperative

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

Action Form No.: AF-61-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: David Frye

Recommendation:

Approve the Resolution.

Executive Summary:

Kingsport City Schools requested a proposal from Thyssenkrupp Elevator Corporation to provide Elevator Maintenance and Repair Services for eleven (11) facilities within the School System. Kingsport City Schools elevator repairs for FY2020 were approximately \$47,497.15. Thyssenkrupp proposed a 5-year Maintenance Agreement utilizing the National Cooperative Purchasing Alliance (NCPA) Contract#02-43 for the annual contract amount of \$40,260.00.

The National Cooperative Purchasing Alliance (NCPA) is a cooperative purchasing organization for public sector procurement. All NCPA contracts have been competitively solicited and publicly awarded by lead agencies using applicable procurement laws and regulations.

The Board of Education approved the proposal from Thyssenkrupp Elevator Corporation on February 9, 2021 and it is now recommended that the Board of Mayor and Aldermen approve the resolution to enter into a 5-year agreement with Thyssenkrupp Elevator Corporation for elevator maintenance and repair services for the annual contract amount of \$40,260.00.

Funding is identified in Schools Accounts# 141-7250-822.03-35.

Attachments:

1. Resolution
2. Recommendation Memo
3. Agreement

Funding source appropriate and funds are available: *CM*

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

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN
AGREEMENT FOR ELEVATOR MAINTENANCE AND REPAIR
SERVICES WITH THYSSENKRUPP ELEVATOR CORPORATION
FOR KINGSPORT CITY SCHOOLS THROUGH THE NATIONAL
COOPERATIVE PURCHASING ALLIANCE

WHEREAS, the city would like to enter into an agreement for elevator maintenance and repair services for the Kingsport City Schools; and

WHEREAS, the city is a member of National Cooperative Purchasing Alliance (NCPA), a cooperative purchasing group, which allows the city to purchase goods and services directly from holders of contracts with the network without conducting the bidding process, as authorized by T.C.A. Section 12-3-1009; and

WHEREAS, to complete the purchase of the service the city will need to enter into an agreement with Thyssenkrupp Elevator Corporation, which will have a term of five years with the fee for the initial year not to exceed \$40,260.00 with an increase of up to four percent for each of the remaining four years; and

WHEREAS, funding is available in # 141-7250-822.03-35.

Now therefore,

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

SECTION I. That the mayor is authorized to execute an agreement with Thyssenkrupp Elevator Corporation for elevator maintenance and repair services for a term of five years with the fee for the initial year not to exceed \$40,260.00 with an increase of up to four percent for each of the remaining four years.

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 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MEMORANDUM

TO: Board of Mayor and Aldermen

FROM: David Frye, Chief Finance Officer

DATE: February 9, 2021

SUBJECT: Thyssenkrupp Elevator Corporation 5 Year Maintenance Agreement

Kingsport City Schools has received a contract proposal from Thyssenkrupp Elevator Corporation to provide Elevator Maintenance and Repair Services for eleven (11) facilities within the school system. The FY 2020 cost for elevator repairs was approximately \$47,497.15. The annual cost per the proposal from Thyssenkrupp Elevator Corporation is \$40,260.00 for the first year with no more than 4% increase each year after.

Thyssenkrupp Elevator Corporation proposed a 5-year Maintenance Agreement, utilizing the National Cooperative Purchasing Alliance (NCPA) Contract# 02-43. The City of Kingsport executed a Master Intergovernmental Cooperative Purchasing Agreement with NCPA in April 2016. Execution of the Master Purchasing Agreement with NCPA allows the City of Kingsport as a public agency to purchase products using the same terms, conditions and pricing as the vendor contract executed with NCPA.

Kingsport City Schools is requesting the Board of Mayor and Aldermen approve the resolution to enter into a 5-year agreement with Thyssenkrupp Elevator Corporation for the annual contract amount of \$40,260.00 for the first year with no more than 4% increase each year after. Funding for this maintenance agreement will come out of the annual School Maintenance Budget for Contracted Services.

NCPA Maintenance Agreement — Contract #02-43

for the Protection of Vertical Transportation Equipment

- A. THIS AGREEMENT (hereinafter "Agreement") made and entered into on this **1 day of February, 2021** by and between **City of Kingsport for its Kingsport City Schools** having an address of **400 Clinchfield Street, Kingsport, TN 37660** (hereinafter referred to as "Purchaser"), and, ThyssenKrupp Elevator Corporation, a Delaware corporation, having an address of 114 Townpark Drive, Kennesaw, Georgia 30144 (hereinafter referred to as "Contractor"). In consideration of the mutual covenants contained herein, Contractor agrees to perform the services described herein and Purchaser or its members agree to pay the amounts described herein, all on the terms and conditions set forth in this Agreement.

WHEREAS,

- B. The Purchaser is engaged either as a real property owner or manager (or as a part in joint ventures or consortiums to that effect); and
- C. The Service Provider is engaged in the business of servicing and repairing elevators, escalators and other vertical transportation equipment.

NOW THEREFORE, the Parties hereto agree as follows:

1. BACKGROUND

The Purchaser and the Service Provider desire to enter into this Agreement as a long term commitment for the maintenance and repair of Purchaser's vertical transportation equipment as further described in this Agreement. Under the Agreement the Purchaser may issue written requests to the Service Provider to provide certain vertical transportation maintenance services at locations controlled by Purchaser. The Agreement is to provide an umbrella for those location-specific written requests for vertical transportation maintenance services issued by the Purchaser.

2. GOVERNING DOCUMENTS

The following documents form and are an integral part of this Agreement and are to be taken as mutually explanatory of one another. In the case of any ambiguity or discrepancy between the documents forming the Agreement, then the priority of the documents will be in the order as listed below, unless otherwise agreed in writing between the parties:

- (a) Each individual location requirement (as specified at the time of ordering by the Purchaser). An Location requirement shall be considered "Accepted" if it is fully executed by a duly authorized representative of both the Purchaser and the Service Provider and provided to the Service Provider;
- (b) This Agreement;
- (c) Any other document mutually agreed and signed by the parties, forming part of this Agreement.

3. PERFORMANCE

Service Provider will provide the services and/or scope of work applicable to all vertical transportation equipment described on any fully executed and properly delivered Agreement (the "equipment") on the terms and conditions set forth in this Agreement (the "Services"). The term "Property" hereinafter will refer to the real property of the Purchaser on which the equipment is located. Service Provider will use trained personnel directly employed and supervised by Service Provider or sub-contractors. They will be qualified to keep Purchaser's equipment properly adjusted, and they will use all reasonable care to maintain that equipment in proper operating condition. Service Provider will regularly and systematically examine, adjust and lubricate



thyssenkrupp

as required, and, in Service Provider's sole opinion, if conditions warrant, Service Provider will repair or replace all equipment parts and devices not specifically excluded by this Agreement.

The Services shall be performed in a diligent and first class manner, with quality supplies, materials, equipment and workmanship and in such a manner so as to minimize the possibility of any annoyance, interference, or disruption to tenants or other occupants of the Property and their invitees. Upon completion of the Services, Service Provider shall restore the Property to its original condition and shall leave the Property clean and free of all tools, equipment, waste materials and rubbish.

Service Provider will service Purchaser's equipment and its component parts in their present condition with the understanding that Service Provider shall neither be required nor obligated to service, make renewals or repairs upon the equipment by reason of negligence, obsolescence, misuse of the equipment, loss of power, blown fuses, tripped stop switches, theft, vandalism, explosion, fire, power failure, water damage, storm, lightning, nuisance calls or by any other reason or any other cause beyond Service Provider's control, except ordinary wear and tear from the commencement date of this agreement. With the passage of time, equipment technology and designs will change. If any part or component of any equipment described in a NFA cannot, in Service Provider's sole opinion, be safely repaired and is no longer stocked and readily available from either the original equipment manufacturer or an aftermarket source, that part or component shall be considered obsolete. Purchaser will be responsible for all charges associated with replacing that obsolete part or component as well as all charges required to ensure that the remainder of the equipment is functionally compatible with that replacement part or component. In addition, Service Provider will not be required to make any changes or recommendations in the existing design or function of the unit(s) nor will Service Provider be obligated to install new attachments or parts upon the equipment as recommended or directed by insurance companies, governmental agencies or authorities, or any other third party. Any work not specifically covered under this agreement shall be at Purchaser's sole expense.

The Service Provider may propose changes to the Services by informing the Purchaser in writing. To be binding, such changes must be approved by authorized representatives of both parties in writing. The Parties may also, at any time, agree to add new Services at agreed prices to be covered by this Agreement. To be binding, such additions must be approved by corresponding authorized representatives of both parties in writing.

Pledge of Purchaser Satisfaction

- 3.1 In the event that Purchaser elects to undertake an audit of the service provided under this Agreement and any Location(s) Agreement, such audit must be announced in writing at least ten (10) working days in advance. If any non-compliance is identified in writing to the Service Provider at the address set forth in this Agreement, whether pursuant to an audit or under any other circumstances, the Service Provider will begin to take appropriate measures to remedy such non-compliance within thirty (30) days thereafter.
- 3.2 The Purchaser and the Service Provider shall appoint appropriate personnel to meet regularly at local and global levels and at such intervals as is deemed necessary to enable the parties to discuss and review the performance of both parties of their respective obligations under this Agreement. The reviews will take place in order to:
 - a) Monitor the effectiveness and efficiency with which this Agreement is being implemented;
 - b) Agree to mutual objectives and timescales;
 - c) Assess the overall performance of this Agreement by each party;
 - d) Review business implications, targets and risks;
 - e) Review whether this Agreement is being conducted in the spirit it was intended; and
 - f) Assess, under this review process, the need to amend or update the performance criteria included in this Agreement.

4. INDEPENDENT CONTRACTOR RELATIONSHIP:

Service Provider shall assume all duties under this Agreement as an independent contractor, and shall not be deemed for any purpose to be an agent, servant, or representative of Purchaser. Purchaser shall have no direct control of Service Provider, its agents, or subcontractors in the performance of the work hereunder. Nothing contained herein shall be construed to be inconsistent with such independent contractor relationship.

5. BY HIGHLY-TRAINED SERVICE PROVIDER PROFESSIONALS:

Service Provider employs and supervises elevator technicians who are among the most trusted in the industry and who will provide all maintenance courteously and dependably. Service Provider's elevator technicians receive ongoing training in general equipment development as well as advancements made to Purchaser's specific equipment.

6. ASSURANCE OF SERVICE PROVIDER'S STANDARD OF QUALITY:

To help increase elevator performance and decrease downtime, Service Provider's technicians utilize the latest industry methods and technology available to Service Provider for Purchaser's specific brand of equipment. They will be equipped with the tools, documentation and knowledge to troubleshoot Purchaser's unique system.

Behind Service Provider's technicians is a team devoted to elevator excellence. Technicians are supported around the clock by a family of engineers and field support experts. Service Provider's International Technical Support facility in Texas continuously researches advancements in the industry and in Purchaser's equipment.

7. EXTENT OF COVERAGE:

Service Provider will perform the following Services with respect to any equipment described on any fully executed location requirement:

7.1 TRACTION ELEVATORS:

Service Provider agrees to and shall maintain the traction elevator equipment described on any Location Agreements on the following terms and conditions:

7.1.1 Service Provider will use trained employees directly employed and supervised by Service Provider. Such employees shall be qualified to keep the Equipment properly adjusted, and Service Provider will use all reasonable care to maintain the Equipment in proper and safe operating condition.

7.1.2 Service Provider will regularly and systematically examine, adjust, clean and lubricate the following as required, and if conditions warrant, repair or replace the same:

7.1.2a Machine worm gear, thrust bearings, drive sheave, drive sheave shaft bearings, brake pulley and brake coil, contact linings and component parts;

7.1.2b Motor and motor generator, motor windings, rotating element, commutator, brushes, brush holders and bearings;

7.1.2c Silicon control rectifiers, reactors, filters, heat sinks, amp traps, transducers, and all control components;

7.1.2d Controller, selector and dispatching equipment, leveling devices and cams, all relays, solid state components, resistors, condensers, transformers, contacts, leads, dash pots, timing devices, computer and micro computer devices, steel selector cable or tape, and mechanical and electrical driving equipment;

7.1.2e Governor, governor sheave and shaft assembly, bearings, contacts, and governor jaws;

7.1.2f Deflector or secondary sheave, bearings, car and counterweight guide rails, top and bottom limit switches, governor tension sheave assembly, compensating sheaves assembly, counterweight and counterweight guide shoes including rollers or gibs;

7.1.2g Hoistway door interlocks and hangers, bottom door guides and auxiliary door closing devices and all fastening devices and associated reinforcement in attached components;

7.1.2.h Hoistway entrance door sill areas beyond the entrance frame opening; will be cleaned.

7.1.2i Automatic power operated door operator, car door hanger, car door contact, door protective device, car ventilation system platform, load weighing equipment, car safety mechanism, elevator car guide shoes, gibbs or roller;

7.1.3 Service Provider shall maintain the individual minimum performance standards defined below:

7.1.3a "Start to Stop Time" as measured from the moment the car begins motion till the time it stops for a single floor run.

7.1.3b "Door Open Time" as measured from the fully closed door position to a fully open stopped position.

7.1.3c "Door Close Time" as measured from the fully open door position to a fully closed stopped position. Door closing pressure shall not exceed 30 lbs.

7.1.3d "Leveling Accuracy" as measured from car sill to landing sill at a fully stopped position under all load conditions.

7.1.3e "Rated Speed" as the same shall be that noted and shall not vary by more than 5% regardless of direction or load.

7.1.4 Service Provider shall maintain the Rated Speed in feet per minute, the original performance time, including acceleration and retardation as designed and installed by the manufacturer and perform the necessary adjustments as required to maintain the original Door Open Time and Door Close Time, within limits of applicable codes, or to adjust and maintain revised Door Open Time and/or door close Time upon direction of Purchaser.

7.1.5 Service Provider shall maintain smooth ride quality, smooth acceleration and deceleration and comfortable stop.

7.1.6. Service Provider shall maintain positive and quiet door operation with rapid and smooth checking at limits of travel. Service Provider shall annually, check the group dispatching systems and make necessary tests to insure that all circuits and time settings are properly adjusted and that the system performs as designed and installed by the manufacturer or to adjust and maintain revised settings upon direction of Purchaser.

7.1.7 Service Provider shall examine periodically all safety devices and governors and conduct an annual no-load test.

7.1.8 Service Provider shall calibrate load-weighing devices to Purchaser's selected settings, after annual and, as applicable, five-year safety tests are conducted.

7.1.9 Service Provider shall renew all wire ropes as often as is necessary to maintain an adequate factor of safety; equalize the tension on all hoist and compensation ropes, lubricate ropes appropriately and when necessary remove all residue and accumulated deposits from the rope surface and shorten ropes and chains as required to provide legal and reasonable bottom clearances.

7.1.10 Service Provider shall repair or replace conductor cables and hoistway and machine room elevator wiring in such a way as to maintain the percentage of spare conductors present at the acceptance of the location requirement. In no case shall the number of spare conductors be less than 5%.

7.1.11 Service Provider shall furnish lubricants compounded to the manufacturer's rigid specifications.

7.1.12 Service Provider shall make other safety tests recommended or directed by all applicable governmental authorities in force at the time of the acceptance of the Agreement. Service Provider shall not be required to install new attachments on the elevators recommended or directed by insurance companies, or by governmental authorities, nor to make replacements with parts of a different design recommended or directed by insurance companies, or by governmental authorities.

7.1.13 Service Provider shall coordinate all testing requiring an independent witness or inspector with the Purchaser's appointed representative.

7.1.14 Service Provider shall not be required to make renewals or repairs necessitated by reason of Purchaser's negligence or Purchaser's misuse of the Equipment or by reason of any other cause beyond Service Provider's reasonable control except ordinary wear and tear.

7.1.15 Service Provider shall also maintain, and if conditions warrant, repair or replace the following auxiliary equipment:

7.1.15a All handicap devices;

7.1.15b All elevator related earthquake devices if applicable

7.1.16 Service Provider shall have no responsibility for the following items of Equipment, which are not included:

7.1.16a the finishing, repairing, or replacement of cab enclosure, hoistway door panels, door frames, sills, car flooring, floor covering, lighting fixtures, light bulbs and tubes, main line power switches, breaker, feeders to controller, alignment of elevator guide rails, smoke and fire sensors, fire service reports, air conditioners and all other items as set forth and excluded in this Agreement. Elevator signal light bulbs will be replaced during regular service calls.

7.2 HYDRAULIC ELEVATORS:

Service Provider agrees to and shall maintain the hydraulic elevator equipment described on any fully executed Location Agreements under the same terms and conditions described under 7.1 entitled "Traction Elevators," as the same are applicable to hydraulic elevators, with the following additions:

7.2.1 Service Provider shall have no responsibility for the following items of Equipment in addition to those listed in provision 7.1.16a above: the finishing, repairing, or replacement of cab enclosure, hoistway door panels, door frames, sills, car flooring, floor covering, lighting fixtures, light bulbs and tubes, main line power switches, breaker, feeders to controller, hydraulic elevator jack, hydraulic elevator outer casing, any type of underground piping or other material, alignment of elevator guide rails, smoke and fire sensors, fire service reports, air conditioners and all other items as set forth and excluded in this agreement. Elevator signal light bulbs will be replaced during regular service calls.

7.2.2 Filters, mufflers and muffler components are included.

7.2.3 Service Provider shall periodically examine all safety devices and conduct pressure tests and other tests required by ANSI A1 7.1 or other applicable codes.

7.2.4 Service Provider shall periodically conduct an inspection of hydraulic fluid to detect contaminants and assure proper viscosity, make necessary corrections and replace fluid as required and furnish hydraulic fluid compounded to the manufacturer's rigid specifications.

7.2.5 Service Provider shall clean excessive fluid leakage from pump pans, cylinder heads, machine room and pit floors.

7.3 ESCALATORS:

Service Provider agrees to and shall maintain the escalator equipment described on any Location Agreements under the same terms and conditions described under 7.1 entitled "Traction Elevators," as the same are applicable to escalators, with the following additions:

7.3.1. Controller, all relays, contacts, coils, resistance for operating and motor circuits, operating transformers and operating rectifier;

7.3.2 Handrail, handrail drive chains, handrail brush guards, handrail guide rollers, alignment devices, steps, step tread, step wheels, step chains, step axle bushings, comb plates, floor plates and tracks;

7.3.3 Upper drive, upper drive bearings, tension sprocket bearings, upper newel bearings, lower newel bearings;

7.3.4 All balustrade fastenings deck and trim fastenings (screws, clips, etc.);

7.3.5 Skirt panels and panel finishes;

7.3.6 Escalator under-step lighting and balustrade panel and skirt lighting;

7.3.7 Upper and lower pit equipment spaces, pit lights, trusses and inclined truss pans.

7.3.8 Service Provider shall examine periodically (at intervals not longer than six months) all normal operating devices and equipment in accordance with ANSI A17.1, Section 1007 and conduct annual inspections and tests of all safety devices, brakes, step up thrust devices and governors in accordance with ANSI A17.1, Section 1008. If required, the governor will be calibrated and sealed for proper tripping speed.

7.3.9 Service Provider shall have no responsibility for the balustrade finishes, deck and trim finishes, wedge guards and exterior truss enclosures.

8. PARTS INVENTORY

Service Provider maintains a comprehensive parts inventory to support its field operations. Replacement parts are stored throughout North America in Service Provider's facilities and are normally available as necessary. Most specialized parts are available within 24 hours, seven days a week. All replacement parts used in Purchaser's vertical transportation equipment will be new or refurbished to meet the quality standards of Service Provider.

9. TESTING

Service Provider will, at its discretion and expense, perform governor and safety tests on traction elevators or annual relief pressure tests on hydraulic elevators per local and State codes. Service Provider assumes no responsibility for the operations of the governor or safety on traction elevators, or the hydraulic system on hydraulic elevators, under the terms of this Agreement until all applicable and governmentally-mandated tests have been made. Should the systems not meet applicable safety code requirements, it shall be the responsibility of the Purchaser, at its sole cost, to make necessary repairs and to place the equipment in a condition, which will be acceptable for coverage under the terms of this Agreement. Service Provider shall not be liable for damage to the building structure or the elevator resulting from any testing of any type or kind at any time.

10. COMPLIANCE WITH LAWS:

The rights and duties arising under this Agreement shall be governed by the laws of the State in which the Property is located. In performing the Services required under this Agreement, Service Provider shall comply with all applicable federal, state, county, and municipal statutes, ordinances and regulations. In the event that any portion of this Agreement is determined to be against public policy or statute, then all other provisions shall remain in full force and effect.

11. TERM:

Service under the terms and conditions of this Agreement shall be for an initial non-cancelable period of Five (5) years commencing on the date specified in the fully executed Location(s) Agreement and shall automatically be renewed for successive Five (5) year periods thereafter, unless either party timely serves written notice upon the other party of its intention to cancel at least ninety (90) days before the end of the initial five (5) year period, or ninety (90) days before the end of any subsequent _____ (1) renewal period. Time is of the essence.

The term (length of contract) of maintenance agreements signed under the NCPA Contract may exceed the term of the NCPA Agreement. The terms and conditions of the NCPA Agreement in effect at the date the maintenance agreement is signed will remain in effect for the duration of members local maintenance agreement. Maintenance Agreements can be as long as the NCPA members request provided they are in accordance with local laws and regulations.

12. AFTER HOURS WORK

All Services are to be provided during Service Provider's regular working hours of its regular working days unless otherwise specified below.

For specified locations marked as "Gold" within the Exhibit "A", any overtime work requested by the Purchaser, Purchaser agrees to pay us overtime labor at our normal billing rates, including travel time, travel expenses, and time spent on the property.

13. PRICING:

Pricing (Please See Exhibit A) The Price of Service Provider's service as herein stated shall be specifically set forth on any fully executed Location Agreement(s), payable as agreed upon between the Service Provider and the Purchaser. Those prices are net of all taxes, duties and other levies. Those prices are valid for a period of one (1) year, commencing on the effective date of each respective Location(s) Agreement. Each such period of one year (365 consecutive days) shall be called a "Fixed Price Period". Since Service Provider's costs to provide Purchaser with the Services may increase, the Service Provider shall review and adjust the Monthly Payment Amount for each Location Agreement(s) at the end of each twelve (12) month period. Eighty percent (80%) of the Agreement price for each Location Agreement(s) shall be adjusted to reflect any increase in labor costs based on the straight time rate of elevator mechanics in the local area where the Property is located. The remaining twenty percent (20%) shall be adjusted to reflect any increase in material costs based on the Producer Price Index for Metals and Metal Products as published by the United States Department of Commerce, Bureau of Labor Statistics. However, in no event shall the total price escalations at the end of each twelve (12) month period be no more than four percent (4%) in any subsequent one (1) year period. Service Provider shall provide thirty (30) days advance written notice to Purchaser of all price adjustments referenced in this paragraph.

Should equipment covered by any Location Agreement be modified by the Purchaser during the pendency of any Location Agreement the parties will endeavor to reach a written agreement on a modified price for the Services applicable to that equipment. Should those parties fail to reach a written agreement on a modified price then that equipment will be removed from the applicable Location Agreement and the applicable Purchaser shall remain financially responsible to the Service Provider for the Service Provider's lost profits associated with the Services originally designated for that piece of equipment at the original, agreed-to price for the remaining term of the applicable Location Agreement. The price is subject to increase in the event the existing equipment is modified from its present state. A service charge of 1 ½% per month, or the highest legal rate, whichever is less, shall apply to delinquent accounts. Time is of the essence.

14. INSURANCE REQUIREMENTS:

At its sole expense, Service Provider shall carry and maintain throughout the term of any fully executed Location Agreement the insurance described below. The all risk and liabilities policies must each contain a provision by which the insurer agrees that such policy shall not be canceled except after thirty (30) days written notice to Purchaser. Purchaser and others as required will be an additional insured to Service Provider's

automobile and general liability policies with the understanding that the additional insured coverage shall only apply to the extent any damages covered by the policies are determined to be caused by Service Provider's acts, actions, omissions or neglects, and not to the extent caused by the additional insured's own acts, actions, omissions, neglects or bare allegations.

Before the commencement of the Services, Service Provider shall submit to Purchaser a Certificate of Insurance showing that all insurance requirements have been met. If any policy expires during the term of any fully executed Location Agreement(s), it shall automatically be renewed and a new Certificate of Insurance shall be sent immediately to Purchaser.

Workers' Compensation Statutory Limits

Employer's Liability	\$1,000,000 each accident \$1,000,000 policy limit-disease \$1,000,000 disease-each employee
General Liability	

This shall include all major divisions of coverage and be on a commercial occurrence form. It shall include premises operations, products and completed operations, contractual, and personal injury.

Limits Primary:	\$2,000,000 each occurrence – BI & PD \$2,000,000 general aggregate \$2,000,000 personal injury & adv. Injury
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Automobile Liability and Property Damage

This shall be on an occurrence basis with a combined single limit of \$2,000,000. It shall include all automobiles owned, leased, hired or non-owned.

15. PURCHASER RESPONSIBILITIES:

Product Information. Purchaser agrees to provide Service Provider with current wiring diagrams that reflect all changes, parts catalogs, and maintenance instructions for the equipment covered by this agreement. Purchaser agrees to authorize Service Provider to produce single copies of any programmable device(s) used in the equipment for the purpose of archival back up of the software embodied therein. These items will remain Purchaser's property.

Safety. Purchaser agrees to instruct or warn passengers in the proper use of the equipment and to keep the equipment under continued surveillance by competent personnel to detect irregularities between elevator examinations. Purchaser agrees to report immediately any condition that may indicate the need for correction before the next regular examination. Purchaser agrees to shut down the equipment immediately upon manifestation of any irregularities in operation or appearance of the equipment, notifying Service Provider at the address and phone number listed on any fully executed Location(s) Agreement at once, and written notice within ten (10) days after any occurrence or accident in or about the elevator. Purchaser agrees to provide Service Provider's personnel a safe place in which to work. Service Provider reserves the right to discontinue work in the building whenever, in Service Provider's sole opinion, Service Provider's personnel do not have a safe place in which to work. Purchaser agrees to provide a suitable machine room including secured doors, waterproofing, lighting, ventilation and heat to maintain the room at a temperature of 50°F minimum to 90°F maximum. Purchaser also agrees to maintain the elevator pit in a dry condition at all times. Should water or other liquids become present, Purchaser will contract with others for removal and the proper handling of such liquids.

Other. Purchaser agrees not to permit others to make alterations, additions, adjustment, or repairs or replace any component or part of equipment during the term of any fully executed Location(s) Agreement. Purchaser agrees to accept Service Provider's judgment as to the means and methods to be employed for any corrective work under this agreement. In the event of the sale, lease or other transfer of the elevator(s) or equipment described in any fully executed Location(s) Agreement, or the premises in which they are located, Purchaser agrees to see that such successor is made aware of that Location(s) Agreement and assumes and agrees to

be bound by the terms of those documents for the balance of the Location(s) Agreement, and subject to termination herein provided, or otherwise be liable for the full unpaid balance due for the full unexpired term of the Location(s) Agreement.

Items Not Covered. Service Provider does not cover cosmetic, construction, or ancillary components of the elevator system, including the finishing, repairing or replacement of the cab enclosure, ceiling frames, panels, and/or fixtures, hoistway door panels, door frames, sills, car flooring, floor covering, lighting fixtures, ceiling light bulbs and tubes, main line power switches, breaker(s), feeders to controller, hydraulic elevator jack outer casing, buried piping, alignment of elevator guide rails, smoke and fire sensors, fire service reports, intercommunication devices, security systems not installed by Service Provider, batteries for emergency lighting and lowering, air conditioners, heaters, ventilation fans and all other items as set forth and excluded in this Agreement.

16. EXCLUSIVITY

This Agreement is an exclusive frame agreement, which means that the Purchaser only undertakes to buy the Services, or parts thereof, from the Service Provider from the date that this Agreement is fully executed.

17. EXCUSABLE DELAYS

The Service Provider shall not be liable for delay in performing or for failure to perform its obligations under this Agreement or any location requirement if such delay or failure results from any of the following causes: (i) Acts of God, (ii) the act of any government or authority (including the denial or cancellation of any export license or other necessary license), (iii) the outbreak of wars, terrorism, insurrections, (iv) fire, explosion, flood (v) and strike, lock-out or other industrial action which is beyond the Service Provider's control or (vi) any other cause of any nature which is beyond the applicable Service Provider's control.

18. TERMINATION AND REMEDIES

18.1 The Service Provider has the right (but not the obligation) to terminate this Agreement or any location Agreement with 30 day's prior written notice in case of the Purchaser's failure to comply with any terms of this Agreements or any Location Agreement. Termination of a Location(s) Agreement shall not have effect on other existing Locations associated with this Agreement, which shall be completed in accordance with these terms and conditions. If such failure is remedied within the said 30 days period, this right to terminate shall expire.

18.2 The provisions of this Agreement, and the right and remedies of a party in the event of the other party's breach under this Agreement (including the breach of any warranty) are cumulative and are without prejudice to all other rights and remedies available to it and may have at law or otherwise; no exercise by a party of any one right or remedy under this Agreement, or at law or otherwise, shall operate so as to hinder or prevent the exercise of any other such right or remedy. However, in no event shall one party to this Agreement be liable to the other party for any indirect or consequential loss or damage, including but not limited to loss of profit, loss of production, loss of interest or otherwise, which may be suffered by the other party in connection with the entering into or operation of this Agreement.

19. ASSIGNMENT

Purchaser may not assign, transfer, novate, sub-contract or otherwise dispose of any of its rights and obligations under this Agreement without the prior written consent of the Service Provider. Notwithstanding the above, Service Provider may without the consent of the Purchaser; use subcontractors for the performance of any Services purchased by the Purchaser under this Agreement or a local agreement. The use of subcontractors to provide Services shall in no way relieve the Service Provider of its responsibilities and obligations towards the Purchaser under this Agreement or a local agreement.

20. HEALTH & SAFETY, ENVIRONMENTAL AND QUALITY

The Service Provider and the Purchaser shall work towards the prevention of accidents aiming for zero accidents and the creation of a safer work environment.

21. ETHICAL COMMITMENT

The Service Provider has an extensive corporate compliance program and its employees are expected to maintain the highest level of ethical and legal conduct at all times during the term of the Agreement and expects the Purchaser to act in a like manner. Should the Purchaser suspect that the Service Provider or its employees have engaged in any illegal or unethical conduct, such suspicions must be reported through the Service Provider's toll-free compliance hotline at 1-866-572-1739.

22. MISCELLANEOUS

22.1 The headings in this Agreement shall not affect its interpretation.

22.2 Throughout this Agreement, whenever required by context, the use of the singular number shall be construed to include the plural, and the use of the singular number shall be construed to include the plural, and the use of the plural the singular, and the use of any gender shall include all genders.

22.3 Should any term or provision in this Agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the validity and enforceability of the remainder of this Agreement shall not be affected.

22.4 The waiver or forbearance or failure of a party in insisting in any one or more instances upon the performance of any provision of this Agreement shall not be construed as a waiver or relinquishment of that party's right to future performance of such provision and the other party's obligations in respect of such future performance shall continue in full force and effect.

22.5 In the event a third party is retained to enforce, construe or defend any of the terms and conditions of this Agreement or to collect any monies due thereunder, either with or without litigation, the prevailing party shall be entitled to recover all costs and reasonable attorney's fees.

22.6 Purchaser hereby waives trial by jury and agrees that this Agreement and any applicable Location(s) Agreement shall be construed and enforced in accordance with the laws of the state where the equipment described on the applicable Location(s) Agreement is located. Purchaser further agrees to jurisdiction of the courts, both state and Federal, of the state in which the equipment set forth on the applicable Location(s) Agreement is located as to all matters and disputes arising out of this that Location(s) Agreement.

22.7 The liability of the Service Provider under this Agreement shall not exceed the value of the Services remaining on the then current and unexpired term of the applicable Location(s) Agreement.

22.8 This Agreement supersedes all prior oral or written agreement between the Service Provider and the Purchaser and constitutes the entire agreement between the parties with respect to the services and work performed hereunder.

23. NOTICES:

Every notice or other communication to be given by either party to the other with respect to this Agreement(s), shall be given by personal delivery, by facsimile or by United States registered or certified mail postage prepaid, return receipt requested, addressed as hereinafter provided. Except as otherwise specified herein, the time period in which a response to any notice or other communication must be made, if any, shall

commence to run on the earliest to occur of (a) if by personal delivery, the date of receipt, or attempted delivery, if such communication is refused; (b) if given by telecopy, the date on which such telecopy is transmitted and confirmation of delivery, or attempted delivery, thereof is received; and (c) if sent by mail (as aforesaid), the date of receipt or delivery is refused. Until further notice, notices and other communications under this Agreement shall be addressed to the parties at:

FILL IN THE CONTACT INFORMATION FOR USA OPERATIONS FOR PURCHASER HERE

ThyssenKrupp Elevator Corporation
114 Town Park Drive NW, Suite 300
Kennesaw, GA 30144
Attn: International Account Contract Administrator
FILL IN FAX NUMBER

This Agreement has been prepared in duplicate, of which each party has received a copy.

NCPA Vendor Registered Quotation Number (RQN): Contract #02-43

ACCEPTED:

**City of Kingsport for its Kingsport City
Schools**

THYSSENKRUPP ELEVATOR CORP.

BY: _____
Signature of Authorized Individual

BY: _____

TITLE: _____

TITLE: Vice President, Contracts Department

DATE: _____

DATE: _____

THYSSENKRUPP CORP. APPROVAL:

BY: _____

TITLE: National Accounts Executive

DATE: _____

Unit Count

20 Units total

Unit Type

13 Hydraulic Units
4 Traction Units
4 Wheelchair Units

Contract Type

GOLD Coverage

Contract Price after NCPA Discount

\$3,355/per month

Billing Frequency (Monthly, Quarterly, Annually)

Quarterly

Billing Rates

Regular time callbacks are not charged to the customer for items covered under our agreement (\$0 per hour). Below are the standard NCPA billing rates as negotiated per the national agreement for items not covered under this agreement:

Regular time Mechanic rate:	\$280.56/hr
Over time Mechanic rate:	\$476.96/hr
Double time Mechanic rate:	\$561.13/hr
Regular time Helper rate:	\$224.45/hr
Over time Helper rate:	\$381.57/hr
Double time Helper rate:	\$448.90/hr
Regular time Team rate:	\$505.01/hr
Over time Team rate:	\$858.52/hr
Double time Team rate:	\$1010.03/hr

Price Increases

There will be a 4% cap on annual escalations. Escalations must be done on the anniversary date of the contract, and will not be increased for the first 12 months of the agreement.

Frequency of Visits

Number of preventative maintenance visits will vary depending on the type of equipment, age, condition, the environmental condition, and the ongoing callback history associated with each individual unit. Minimum maintenance requirements listed below:

Hydraulic elevators – 4 to 12 visits per year, no less than 4 visits annually

Traction elevators – 9 to 12 visits per year, no less than 9 visits annually

Pledge of Customer Satisfaction

ThyssenKrupp Elevator's top priority is the satisfaction of our customers. If during the term of this Agreement, ThyssenKrupp Elevator fails to properly perform services in accordance with the terms and conditions of this Agreement, Purchaser shall advise ThyssenKrupp Elevator of the specific deficiency in writing and shall allow a reasonable period of thirty (30) days from the date of the written notice to correct the deficiency. In the event ThyssenKrupp Elevator fails to correct the deficiency in the allotted time, Purchaser shall have the right to terminate this agreement upon thirty (30) days prior written notice to ThyssenKrupp Elevator. Written notices shall be sent by certified mail, return receipt requested to the address set forth on page 1 of this agreement. Time is of the essence.

Exclusions

tkE will perform maintenance, testing, and repairs to the best of our ability on all Garaventa Lifts. These lifts have a sole proprietary ownership with United Elevator. Any parts, software, or component needed for this elevator will need to be bought straight through United at City of Kingsport for its Kingsport City School's expense.

The maintenance shop will be excluded from our Gold Coverage Contract and will be covered by our Bronze Coverage.

Bronze Coverage:

This coverage does not include the repair, refurbishment or replacement of any parts or components of your Unit(s). This Agreement also does not include the dispatch of our technician for any reason from one or more of the following: you or your representative, the building or building's representative, emergency personnel, and/or passenger's through the Unit's communication device and/or from any applicable remote monitoring device attached to the Unit if monitored by thyssenkrupp Elevator ("Service Requests"). The repair, refurbishment or replacement of any parts or components of your equipment and any Service Requests will be separately billable to you at your agreed upon special billing rates including travel time (calculated roundtrip from the dispatching location to the Unit location and return), travel expenses, and time spent on the job, with any Overtime work billed at your agreed upon special billing rate.

Kingsport City Schools Elevator Portfolio

Building	# of Elevators	# of Lifts	Bronze Coverage	Gold Coverage	2X Bronze Visits
John Adams	1	1	\$140	\$220	\$210
Jackson	1		\$70	\$150	\$150
Jefferson	1		\$70	\$150	\$150
Kennedy	1		\$70	\$150	\$150
Roosevelt	1		\$70	\$150	\$150
Washington		1	\$70	\$70	\$60
Robinson	1		\$70	\$150	\$150
Sevier	1	1	\$140	\$220	\$210
Dobyns-Bennett High	6	1	\$620	\$1,145	\$1,135
Central Office	2		\$400	\$650	\$650
**North Highschool	2		\$140	\$300	\$300
Monthly Total(s)	17	4	\$1,860	\$3,355	\$3,315
Yearly Total			\$22,320	\$40,260	\$39,780

**start date July 1, 2021

***All Lifts will be bronze coverage

2X Bronze Visits: Elevators are under gold coverage, but lifts on Bronze have 2 visits per year instead of 4.



AGENDA ACTION FORM

Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Provision

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

Action Form No.: AF-65-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: McCartt, Chris

Recommendation:

Approve the Resolution.

Executive Summary:

Approval of this resolution authorizes the Industrial Development Board of the City of Kingsport (aka. KEDB) to negotiate and execute a Payment in Lieu of Taxes (PILOT) agreement with Eastman.

On Friday January 29th Eastman announced plans to invest approximately \$250 Million into their Kingsport facility (on property located within the City limits). This investment will establish the world's largest plastic-to-plastic molecular recycling facility using a process known as methanolysis. City officials, along with members of KEDB, worked closely with Eastman over the last several weeks on this project.

Attachments:

1. Resolution
2. Supplemental Information
3. Proposed Agreement

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE TO NEGOTIATE AND ACCEPT FROM EASTMAN CHEMICAL COMPANY PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A CERTAIN PROJECT IN THE KINGSPORT, SULLIVAN COUNTY TENNESSEE, AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE INDUSTRIAL DEVELOPMENT BOARD'S PUBLIC PURPOSES AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305; AUTHORIZING THE MAYOR TO EXECUTE ANY DOCUMENTS NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; AND TO FIX THE EFFECTIVE DATE THIS RESOLUTION

WHEREAS, the board of mayor and aldermen (the "Governing Body") of the City of Kingsport, Tennessee (the "City") has met pursuant to proper notice; and

WHEREAS, the Governing Body has previously authorized the incorporation of The Industrial Development Board of the City of Kingsport, Tennessee (the "Board") as an industrial development board duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, the city has been informed that Eastman Chemical Company, (the "Company"), intends to cause the renovation and restructuring of its current facility at a cost of at least \$250,000,000.00 (collectively, the "Project") generally located in the 11th Civil District of Sullivan County with a principal address of 200 South Wilcox Drive, Sullivan County, Tennessee (the "Property"); and

WHEREAS, the Company has requested the Board to hold ownership of the Property; and

WHEREAS, the Company has furthermore requested the Board to lease the Project to the Company and to permit the Company to make payments in lieu of ad valorem taxes; and

WHEREAS, Tenn. Code Ann. § 7-53-305(b) authorizes the Governing Body to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem tax upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board as defined in said code section; and

WHEREAS, there has been submitted to the Governing Body a form of a Payment in Lieu of Tax Agreement (the "Agreement") between the Board and the Company, which provides certain payments in lieu of tax as provided therein and which the Board proposes to execute to carry out the transaction described above and a copy of which draft of the Agreement is filed with the records of the City; and

WHEREAS, the Board and the Company desire to enter into an Agreement whereby the Company will make payments in lieu of ad valorem taxes to the city of Kingsport, Tennessee, Sullivan County, Tennessee and any other taxing jurisdiction in which the Project is located; and

WHEREAS, the Project, along with construction and equipment of the Project, will enhance employment opportunities in the city of Kingsport, Tennessee and generate additional tax revenues for the City; and

WHEREAS, the Governing Body finds that the Agreement is in furtherance of the Board's public purposes as defined in Tennessee Code Annotated Section 7-53-102.

Now therefore,

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

SECTION I. The foregoing recitals are incorporated into this resolution by reference as findings of fact as if expressly set forth herein.

SECTION II. The Governing Body hereby finds that the negotiation and acceptance by the Board of payments in lieu of ad valorem taxes consistent with this resolution are deemed to be in furtherance of the public purposes of the Board as defined in *Tennessee Code Annotated* Section 7-53-305, and the Governing Body hereby consents and delegates to the Board the right to negotiate and accept such payments from the Company.

SECTION III. *Tennessee Code Annotated* section 7-53-305(b) authorizes the Governing Body to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem taxes upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board, and the Board has made such finding and hereby consents and delegates to the Board the right to negotiate such payments in lieu of tax from the Company, as a lessee of the Board with respect to the Project, in accordance with the Agreement, together with any other agreements, leases, bills of sale or other instruments necessary to implement the terms of the Agreement.

SECTION IV. The Board's Agreement with the Company shall be substantially as set forth in the draft of the Agreement, which has been presented to the Governing Body at this meeting and filed with the City Recorder of the City, and any such payments paid lieu of city ad valorem taxes should be made to the City for use in the general fund, provided that there shall be no reductions in the amounts of the payments in lieu of tax provided in the Agreement without receiving the prior approval of the Governing Body.

SECTION V. That, if there is a change in the substantive terms of the draft Agreement, the Board shall submit the final agreement to the Governing Body for approval, but the Board's agreement with the Company concerning payments in lieu of ad valorem taxes may contain administrative provisions not inconsistent with this resolution as the Board deems appropriate.

SECTION VI. That the Board is delegated the authority to execute the Payment In Lieu Of Tax Agreement, substantially in the form presented to this meeting, together with any other agreements, leases, bills of sale, or other instruments necessary to implement the terms of the Agreement.

SECTION VIII. The mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of this resolution.

SECTION IX. That the Governing Body 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. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed, and this resolution shall be in immediate effect from and after its adoption, the public welfare requiring it.

Adopted this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

STATE OF TENNESSEE

COUNTY OF SULLIVAN

I, Angela Marshall, certify that I am the duly qualified and acting Deputy City Recorder of City of Kingsport, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the governing body of the Municipality held on February 16 ,2021; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to a payment in lieu of ad valorem tax transaction involving a project being developed by Eastman Chemical Company.

WITNESS my official signature and seal of said Municipality on _____, 2021.

Deputy City Recorder

PAYMENT IN LIEU OF TAX AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of the ____ day of February, 2021 ("Effective Date"), by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a Tennessee public non-profit corporation ("KEDB") and EASTMAN CHEMICAL COMPANY, a Delaware corporation (the "Company").

WITNESSETH:

WHEREAS, KEDB is an industrial development corporation duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, Company currently owns and operates a chemical manufacturing facility located in the City of Kingsport, Sullivan County, Tennessee, together with certain other improvements, structures and fixtures a portion of which is located on the real property more particularly described in Exhibit "A" which is attached hereto and is incorporated herein by reference (such building, improvements, structures and fixtures located thereon or therein are herein referred to collectively as the "Real Property"); and

WHEREAS, Company currently owns tangible personal property including equipment and machinery located on the Real Property; and

WHEREAS, Company is contemplating the construction of a methanolysis plant on the Property which will include new total capital investment of approximately \$ 230,000,000.00 in new tangible personal property and approximately \$ 38,000,000.00 in new real property improvements (hereafter the "Project"); and

WHEREAS, Company and KEDB have agreed, pursuant to Tenn. Code Ann. §7-53-305, to enter into a Payment in Lieu of Tax (“PILOT”) Agreement whereby the Company will convey the Real Property by ground lease and the Personal Property by bill of sale to KEDB and KEDB has agreed to lease the Real Property and Personal Property to Company under an arrangement whereby Company will make payments in lieu of ad valorem taxes as set forth herein; and

WHEREAS, KEDB has agreed during the term of this Agreement to take title to the equipment, machinery and other tangible personal property now or hereafter acquired by Company and located on the Real Property and constituting a part of the Project, as more particularly described on Exhibit “B” which is attached hereto and is incorporated herein by reference (hereafter “Personal Property”). The Personal Property and Real Property are sometimes hereafter collectively referred to as the “Property”; and

WHEREAS, KEDB has pursuant to Tenn. Code Ann. §7-53-305(b) adopted a resolution delegating to the Chairman or Vice-Chairman of its Board of Directors the authority to negotiate and accept payments in lieu of ad valorem taxes with respect to the Property, which Resolution is attached hereto as Exhibit “C”; and

WHEREAS, the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, has pursuant to Tenn. Code Ann. §7-53-305(b), adopted a resolution delegating to KEDB the authority to accept payments in lieu of ad valorem taxes with respect to the Property which Resolution is attached hereto as Exhibit “D” ; and

WHEREAS, the Project is designed to enhance employment opportunities, develop trade and commerce in and adjacent to the City of Kingsport, Tennessee (“City”) and Sullivan County,

Tennessee (“County”), contribute to the general welfare and provide substantial economic benefits to the City and County all in furtherance of the purpose for which KEDB was created.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby expressly acknowledged, KEDB and Company, intending to be legally bound, enter into this Agreement.

1. Lease. KEDB hereby agrees that at such time as Company is prepared to commence the Project, but in no event later than December 31, 2021, Company will convey the Real Property to KEDB pursuant to a Ground Lease (the form of which is attached as Exhibit “E”) and will convey the Personal Property to KEDB pursuant to a Bill of Sale (the form of which is attached as Exhibit “F”). Company further agrees to convey all Personal Property acquired for the Project subsequent to the execution of the Lease to KEDB via Bill of Sale on at least an annual basis. KEDB shall lease the Property to Company for a term with an effective beginning date as of the date of conveyance of the Property to KEDB, but in no event later than December 31, 2021, and a termination date of December 31, 2032 (the “Term”). The form of the lease is attached hereto as Exhibit “G” and incorporated herein by reference (the “Lease”). The Lease shall provide that Company shall pay all costs to construct and complete the Project by the Completion Date. The Lease shall also grant to Company the absolute right to purchase the Real Property and Personal Property at any time for a nominal amount and that upon transfer and conveyance of the Property to Company pursuant to Company’s exercise of its option to purchase this Agreement shall terminate. Upon termination of this Agreement for any reason, all applicable ad valorem taxes shall be fully assessable against the Property without reduction as if Company owned the Property from and after the date of termination.

2. PILOT Payments. For tax years 2021 and 2022, Company shall make a payment in lieu of ad valorem taxes (“PILOT Payment”) on the Real Property and Personal Property, in an amount equal to the property taxes that would have been payable if said Real Property and Personal Property were subject to City and County property taxes without reduction. Beginning with the 2023 tax year and each and every subsequent tax year through 2032, a PILOT Payment on the Real Property and Personal Property shall be made in amount equal to the property taxes that would have been payable to the City and County if said Real Property and Personal Property were subject to City and County property taxes without reduction multiplied by the following percentage for each applicable tax year:

2023	14%
2024	20%
2025	30%
2026	40%
2027	50%
2028	60%
2029	70%
2030	80%
2031	90%
2032	100%

However, when the difference between (i) the combined cumulative total of the annual PILOT Payments due and payable under this Agreement and (ii) the combined cumulative total of the annual City and County property taxes which would have been due and payable on the Real Property and Personal Property if said property were subject to property taxes without reduction reaches or exceeds \$10,500,000 then this Agreement shall terminate effective as of the first day of the following tax year. The PILOT payments due hereunder shall be shall be paid directly to the

City of Kingsport and Sullivan County, Tennessee for their respective portions of the PILOT Payments due hereunder.

3. Assessment. KEDB will request the Sullivan County Property Assessor to appraise and assess the Real Property and Personal Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were owned by Company and subject to property taxes. The Assessor shall give the County Trustee, the City Treasurer, KEDB, and the Company notice of the appraisals of the Property annually in the same manner that notices are given to owners of taxable property. The Real Property is currently a portion of Sullivan County Tax Map 061N Group E Control Map 061K Parcel 002.00 ("Original Tax Parcel"). The Assessor shall be requested to assess the Real Property as a special interest separate from the Original Tax Parcel which will continue to be subject to property taxes without reduction. Company agrees that the tax assessment of the remaining real property and improvements located on the Original Tax Parcel shall not fall below its current assessment of \$24,711,040 throughout the Term of this Lease.

4. PILOT Calculations. KEDB will request the Sullivan County Trustee and City Treasurer to compute the amounts of the PILOT Payments. On or about October 1 of each year during the Term of this Agreement, the KEDB will request that the Trustee and City Treasurer compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee and City Treasurer shall send KEDB and the Company a bill for appropriate amounts of PILOT Payments payable to the City and County, respectively.

5. Penalties and Late Charges. The Company shall make the PILOT Payment for each year on or before the applicable due date for City and County property taxes. All PILOT Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If the Company fails to make any PILOT Payment by the due date, and such failure to pay shall continue and not be fully paid within ten (10) days after written notice of such non payment has been provided to the Company, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount, and shall be charged cumulatively based on the prior month's unpaid balance (including late fee) for each calendar month that a payment remains unpaid.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, and/or otherwise fails to comply with the terms of this Agreement, then KEDB may bring suit in the Chancery Court of Sullivan County to seek to recover the PILOT Payments due, late charges, expenses and costs of collection as well as its reasonable attorneys' fees.

6. Covenants of Company. Company agrees to perform the following requirements during the Term of this Agreement:

(a) Company will complete construction of the entire Project in accordance with this Agreement, and all applicable local, state and federal laws, ordinances, and regulations no later than December 31, 2022 ("Completion Date");

(b) No later than six (6) months from the effective date of this Agreement, transfer good and marketable title to approximately acres of unimproved real property adjacent to Borden Park (being a portion of Sullivan County Tax Map 061F Group C Parcel

053.00) as shown on Exhibit "H", to the City of Kingsport, Tennessee contingent on an acceptable environmental review of the condition of the property as determined in the City's sole discretion.

(c) Timely file and provide all personal property schedules and other documentation, information and reports with the City and County as would be required by applicable law if Company owned the Property.

(d) Maintain the Property in good order, condition and repair free from unreasonable accumulations of waste materials and odors.

(e) Operate the Project in accordance with all applicable local, state and federal laws, ordinances, and regulations and in such manner as to not constitute a nuisance.

(f) Pay all PILOT payments on or before the applicable due date.

(g) Timely file all reports as Company may be required by the State of Tennessee as a result of this PILOT agreement or accompanying Lease agreement or grant agreements with the State related to the Project and provide a copy of said reports to KEDB.

(h) Within six months of the Completion Date, provide all documentation reasonably required by KEDB to substantiate that Company has made new capital investment for the completion of the Project in an amount not less than \$268,000,000.00 of combined tangible personal property and real property improvements.

(i) Within 30 days of written request, provide such documentation as reasonably requested by KEDB to establish compliance by Company with subparagraphs (a) through (i).

If Company fails to perform any of the performance requirements in subparagraphs (a) through (i) above within the applicable timeframe it shall be considered an Event of Default.

7. Events of Default. An "Event of Default" shall occur if (a) there shall have occurred a breach by Company in any respect to the performance of any of its respective obligations under this Agreement, including, but not limited to, the obligations more specifically set forth in Section 6. If there is an Event of Default as defined above, KEDB shall not exercise its remedies hereunder unless Company has failed to cure the Event of Default within thirty (30) days after receipt of written notice of the Event of Default; provided, however, if the circumstance or condition constituting an Event of Default cannot reasonably be cured within thirty (30) days after receipt of such written notice, then the Company shall have such additional time as may be reasonable under the circumstances to cure or remedy such Event of Default before KEDB shall be entitled to exercise rights and remedies with respect to such Event of Default.

8. Remedies. Upon the occurrence of an Event of Default by Company, KEDB may pursue one or more of the following remedies:

(a) KEDB may terminate this Agreement including the termination of the benefits of this Agreement for any years remaining hereunder.

(b) KEDB may pursue any other legal or equitable remedy available to it under law or as provided in this Agreement, including proceedings to compel specific performance of Company's obligations under this Agreement.

(c) If the Company relocates the Project or any portion thereof from the City during the Term hereof without the consent of KEDB, KEDB reserves the right to require Company to pay an amount equal to the amount which would have been due and payable on the Real Property and Personal Property if said property were subject to property taxes without reduction for the entire term of this agreement prior to the relocation minus the annual PILOT Payments actually paid under this Agreement prior to the relocation.

9. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the PILOT Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the PILOT Payments being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute, then the Company may file suit in the Chancery Court of Sullivan County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

10. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

11. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise hereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

12. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

13. No Liability of KEDB Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the KEDB, whether past, present or future, either directly or through KEDB. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

15. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

16. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

17. Notices. Any notice or demand required or permitted to be given by or to any of the parties hereto shall be in writing and shall be personally delivered, sent by nationally recognized overnight courier service or mailed by certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to KEDB: 400 Clinchfield Street
Suite 100
Kingsport TN 37660
Attn: Chair

If to Company: EASTMAN CHEMICAL COMPANY

Attention: _____

or to such other addresses as the parties may from time to time designate in writing in the manner set forth above.

18. Entire Agreement. This Payment in Lieu of Tax Agreement, together with the Lease, the deed, assignment of lease and bill of sale referenced herein, constitutes the entire agreement between the parties with respect to the subject matter and all prior agreements and representations are integrated herein and superseded hereby.

19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this instrument in multiple originals as of the date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE

By: _____
Its: _____

EASTMAN CHEMICAL COMPANY

By: _____
Its: _____

**EXHIBIT A
LEASE AREA
EASTMAN CHEMICAL METHANOLYSIS PLANT**

Being a Lease located in the Eleventh Civil District of Sullivan County Tennessee, lying north of John B. Dennis Highway and southwest of the centerline intersection of Lincoln Street and John B. Dennis Highway, said Lease Area being a portion of Parcel 2.00 as shown on Tax Map 61K, Group "E", and being known as a portion of Eastman Chemical property, as recorded in Deed Book 965c, Page 343, and being more particularly described as follows:

LEASE AREA 1

Commencing at a point in the southwest corner of Lease Area 2, said point being South 83 deg. 15 min. 37 sec. West, 1924.4 feet from the centerline intersection of Lincoln Street and John B. Dennis Highway, said point also being North 08 deg. 22 min. 30 sec. East, 99.43 feet from Eastman survey control monument No. 17 (bearings and distances are relative to Eastman Plant Control Monuments No. 17 & 83 having a bearing of North 00 deg. 40 min. 51 sec. West from No. 17 to 83);

Thence, along Lease Area 2, North 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, leaving Lease Area 2 along a tie line, North 00 deg. 00 min. 00 sec. East, 290.00 feet to the point of Beginning of Lease Area 1;

Thence, along Lease Area 1 the following 8 calls, North 00 deg. 00 min. 00 sec. East, 386.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 185.00 feet to a point;

Thence, South 00 deg. 00 min. 00 deg. East, 230.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 130.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. East, 75.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. West, 130.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. West, 81.00 feet to a point;

Thence, South 90 deg. 00 min. 00 sec. West, 185.00 feet to the point of Beginning.

Containing 81,160 square feet or 1.863 acres as shown on exhibit prepared by Barge Design Solutions, inc. Bearing File No. 37427-06.

LEASE AREA 2

Beginning at a point in the southwest corner of Lease Area 2, said point being South 83 deg. 15 min. 37 sec. West, 1924.4 feet from the centerline intersection of Lincoln Street

and John B. Dennis Highway, said point also being North 08 deg. 22 min. 30 sec. East, 99.43 feet from Eastman survey control monument No. 17 (bearings and distances are relative to Eastman Plant Control Monuments No. 17 & 83 having a bearing of North 00 deg. 40 min. 51 sec. West from No. 17 to 83);

Thence, along the Lease Area the following 4 calls, North 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 175.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, South 90 deg. 00 min. 00 sec. West, 175.00 feet to the point of Beginning.

Containing 31,500 square feet or 0.723 acres as shown on exhibit prepared by Barge Design Solutions, Inc. Bearing File No. 37427-06.

EXHIBIT B
PERSONAL PROPERTY DESCRIPTION

The Personal Property shall include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the Real Property described in Exhibit A at any time during the Term of this Agreement, together with all replacements and substitutions therefore.

EXHIBIT C

RESOLUTION BY THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF KINGSPORT, TENNESSEE

**RESOLUTION RELATING TO PAYMENT IN LIEU OF TAX TRANSACTION
BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
KINGSPORT, TENNESSEE AND EASTMAN CHEMICAL COMPANY**

WHEREAS, the Board of Directors of The Industrial Development Board of the City of Kingsport, Tennessee (the "Board") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 53, Title 7 of the Tennessee Code Annotated, as amended (the "Act"), and has met pursuant to proper notice; and

WHEREAS, to induce EASTMAN CHEMICAL COMPANY, a Delaware corporation (the "Company"), to construct a new methanolysis plant with a total capital investment of approximately \$230,000,000 in new tangible personal property and approximately \$38,000,000 in new real property improvements (the "Project"). The Board will acquire the real property and all equipment, machinery and like tangible personal property located thereon (the real property, machinery and equipment collectively the "Property"), and the Board will lease the Property to the Company on the terms and conditions set forth in Payment in Lieu of Tax Agreement and Lease attached thereto (collectively the "Pilot Agreement"); and

WHEREAS, there has been submitted to the Board a form of the Pilot Agreement between the Board and the Company, which provides certain payments in lieu of tax as provided therein and which the Board proposes to execute to carry out the transaction described above, a copy of which instrument shall be filed with the records of the Board.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE:

1. It is hereby found and determined that the construction of the Project and the acquisition and ownership of the Property will promote industry, trade, commerce and employment in the State of Tennessee and in the City of Kingsport, Sullivan County, Tennessee.
2. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and its Secretary or Assistant Secretary is authorized to attest, and either is authorized and directed to deliver the Pilot Agreement to the Company.

3. The Board is hereby authorized and directed to lease or own the Property as applicable pursuant to the terms of the Pilot Agreement.
4. The Pilot Agreement shall be in substantially the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing it, his or her execution to constitute conclusive evidence of his or her approval of any such omissions, insertions and changes.
5. The officers of the Board are hereby authorized and directed to execute, deliver and file such other certificates and instruments and to take all such further future action as they may consider necessary or desirable in connection with the consummation of the transactions described above, including, without limitation, executing such documents as any lender of the Company may request to preserve their liens on the Project.
6. Any authorization herein to execute any document shall include authorization to record such document where appropriate.
7. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution are hereby approved and confirmed.

EXHIBIT D

RESOLUTION BY THE BOARD OF MAYOR AND ALDERMEN
OF THE CITY OF KINGSPORT, TENNESSEE

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE TO NEGOTIATE AND ACCEPT FROM EASTMAN CHEMICAL COMPANY PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A CERTAIN PROJECT IN KINGSPORT, SULLIVAN COUNTY TENNESSEE, AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE INDUSTRIAL DEVELOPMENT BOARD'S PUBLIC PURPOSES AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305; AUTHORIZING THE MAYOR TO EXECUTE ANY DOCUMENTS NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; AND TO FIX THE EFFECTIVE DATE OF THIS RESOLUTION

WHEREAS, the Board of Mayor and Aldermen (the "Governing Body") of the City of Kingsport, Tennessee (the "City") has met pursuant to proper notice; and

WHEREAS, the Governing Body has previously authorized the incorporation of The Industrial Development Board of the City of Kingsport, Tennessee (the "Board") as an industrial development board duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, the City has been informed that Eastman Chemical Company, (the "Company"), intends to cause the renovation and restructuring of its current facility at a cost of at least \$250,000,000.00 (collectively, the "Project") generally located in the 11th Civil District of Sullivan County with a principal address of 200 South Wilcox Drive, Sullivan County, Tennessee (the "Property"); and

WHEREAS, the Company has requested the Board to hold ownership of the Property; and

WHEREAS, the Company has furthermore requested the Board to lease the Project to the Company and to permit the Company to make payments in lieu of ad valorem taxes; and

WHEREAS, Tenn. Code Ann. § 7-53-305(b) authorizes the Governing Body to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem tax upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board as defined in said code section; and

WHEREAS, there has been submitted to the Governing Body a form of a Payment in Lieu of Tax Agreement (the "Agreement") between the Board and the Company, which provides certain

payments in lieu of tax as provided therein and which the Board proposes to execute to carry out the transaction described above and a copy of which draft of the Agreement is filed with the records of the City; and

WHEREAS, the Board and the Company desire to enter into an Agreement whereby the Company will make payments in lieu of ad valorem taxes to the city of Kingsport, Tennessee, Sullivan County, Tennessee and any other taxing jurisdiction in which the Project is located; and

WHEREAS, the Project, along with construction and equipment of the Project, will enhance employment opportunities in the city of Kingsport, Tennessee and generate additional tax revenues for the City; and

WHEREAS, the Governing Body finds that the Agreement is in furtherance of the Board's public purposes as defined in Tennessee Code Annotated § 7-53-102.

Now therefore,

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

SECTION I. The foregoing recitals are incorporated into this resolution by reference as findings of fact as if expressly set forth herein.

SECTION II. The Governing Body hereby finds that the negotiation and acceptance by the Board of payments in lieu of ad valorem taxes consistent with this resolution are deemed to be in furtherance of the public purposes of the Board as defined in Tennessee Code Annotated §7-53-305, and the Governing Body hereby consents and delegates to the Board the right to negotiate and accept such payments from the Company.

SECTION III. Tennessee Code Annotated §7-53-305(b) authorizes the Governing Board to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem taxes upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board, and the Board has made such finding and hereby consents and delegates to the Board the right to negotiate such payments in lieu of tax from the Company, as a lessee of the Board with respect to the Project, in accordance with the Agreement, together with any other agreements, leases, bills of sale or other instruments necessary to implement the terms of the Agreement.

SECTION IV. The Board's Agreement with the Company shall be substantially as set forth in the draft of the Agreement, which has been presented to the Governing Body at this meeting and filed with the City Recorder of the City, and any such payments paid lieu of city ad valorem taxes should be made to the City for use in the general fund, provided that there shall be no reductions in the amounts of the payments in lieu of tax provided in the Agreement without receiving the prior approval of the Governing Body.

SECTION V. That, if there is a change in the substantive terms of the draft Agreement, the Board shall submit the final agreement to the Governing Body for approval, but the Board's agreement with the Company concerning payments in lieu of ad valorem taxes may contain administrative provisions not inconsistent with this resolution as the Board deems appropriate.

SECTION VI. That the Board is delegated the authority to execute the Agreement, substantially in the form presented to this meeting, together with any other agreements, leases, bills of sale, or other instruments necessary to implement the terms of the Agreement.

SECTION VIII. The mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of this resolution.

SECTION IX. That the Governing Body 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. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed, and this resolution shall be in immediate effect from and after its adoption, the public welfare requiring it.

Adopted this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

STATE OF TENNESSEE

COUNTY OF SULLIVAN

I, Angela Marshall, certify that I am the duly qualified and acting Deputy City Recorder of City of Kingsport, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the governing body of the Municipality held on February 16, 2021; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to a payment in lieu of ad valorem tax transaction involving a project being developed by Eastman Chemical Company.

WITNESS my official signature and seal of said Municipality on _____, 2021.

Deputy City Recorder
EXHIBIT E

LEASE BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE
AND
EASTMAN CHEMICAL COMPANY

EXHIBIT F

BILL OF SALE BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE

AND
EASTMAN CHEMICAL COMPANY

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, as further set forth and described in that certain Payment in Lieu of Tax Agreement dated as of _____, 2021, (the "PILOT Agreement") and that certain Lease Agreement dated as of _____, 2021, (the "Lease Agreement"), made by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, ("Assignee") and EASTMAN CHEMICAL COMPANY, ("Assignor"), the undersigned Assignor, pursuant to the PILOT Agreement and Lease Agreement, does hereby sell, transfer, assign and convey to Assignee all of Assignor's right, title and interest in and to: all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the Real Property as defined in the Lease Agreement at any time during the Term of the Lease Agreement, together with all replacements and substitutions therefore, all as more particularly described on Schedule One attached hereto.

Such assets, properties and interest as shown on Schedule One are transferred, sold and conveyed to Assignee AS IS, WHERE IS AND with all faults, without any express or implied warranty or representation as to physical condition, merchantability, fitness for a particular purpose, or any other matter; provided, however, Assignor hereby warrants and represents to Assignee that Assignor holds, and hereby delivers to Assignee, good and marketable title to all assets, properties and interests conveyed hereby, and further warrants that title to such assets, properties and interests is unencumbered and free and clear of all mortgages, liens, security interests, pledges, and other encumbrances of title. Further, subsequent equipment, machinery, and other tangible personal property acquired by Assignor in conjunction with the Project shall also be conveyed through this Bill of Sale to Assignee in accordance with and pursuant to the PILOT Agreement and Lease Agreement.

IN WITNESS WHEREOF, the undersigned company has caused this Bill of Sale to be executed and delivered by its duly authorized officer effective as of _____, 2021

ASSIGNOR:

EASTMAN CHEMICAL COMPANY

By: _____

Its: _____

ASSIGNEE:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE**

By: _____

Its: _____

Schedule One

Equipment List

EXHIBIT G

LEASE BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE
AND
EASTMAN CHEMICAL COMPANY

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF KINGSPORT, TENNESSEE

(a public nonprofit corporation organized
under Tennessee law)

TO

EASTMAN CHEMICAL COMPANY
(a Delaware corporation)

LEASE

DATED AS OF _____, 2021

LEASE

This Lease, made and entered into as of the ____ day of _____, 2021, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. ("Lessor"), and EASTMAN CHEMICAL COMPANY, a Delaware corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor is a public nonprofit corporation and a public instrumentality of the City of Kingsport, Tennessee, and is authorized under Sections 7-53-101 to 7-53-317, inclusive, Tennessee Code Annotated, as amended (the "Act"), to acquire, whether by purchase, exchange, gift, lease, or otherwise, and to own, lease and dispose of properties for certain purposes identified in the Act; and

WHEREAS, in order to encourage Lessee to cause the construction of a methanolysis plant located in the City of Kingsport, Tennessee (the "Project"), thereby furthering the purposes of the Act, Lessor desires to lease to Lessee and Lessee desires to rent from Lessor certain real property and tangible personal property hereinafter more particularly described, on the terms and conditions set forth herein; and

NOW, THEREFORE, Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents demise, lease and let unto Lessee, and Lessee does by these presents hire, lease and rent from Lessor, for the Term (as defined below) and upon the conditions hereinafter stated, the real property described in Exhibit A and the tangible personal property described on Exhibit B attached hereto, together with all facilities and improvements now existing or hereafter constructed thereon by Lessee or otherwise;

UNDER AND SUBJECT, however, to deed restrictions, covenants, easements, reservations, rights of way and other encumbrances applicable to the real property and tangible personal property to be leased and existing as of the date hereof and any other encumbrance hereafter existing that is not created by Lessor; and

UNDER AND SUBJECT to the following terms and conditions:

ARTICLE I Definitions

In addition to the words, terms and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

"Acquisition Deed" shall mean the deed and/or leases, as applicable, pursuant to which Lessor acquires title to the Leased Land.

"Act" shall mean Sections 7-53-101 to 7-53-317, inclusive of Tennessee Code Annotated, as amended.

"Additional Rent" shall mean the amounts described in Section 4.02.

"Basic Rent" shall mean the amounts described in Section 4.01.

"City" shall mean the City of Kingsport, Tennessee.

"County" shall mean Sullivan County, Tennessee.

"Force Majeure" means fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the applicable party's reasonable control. Where this Lease expressly provides that a party's obligations are subject to Force Majeure, then delay or non-performance on the part of such party will be excused upon the occurrence and during the continuance of such event of Force Majeure, provided that such party promptly gives the other party written notice of the occurrence and abatement of such event of Force Majeure.

"Lease" shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more instruments supplemental hereto.

"Leased Land" shall mean the real property and current and future improvements located on the real property described in Exhibit A attached hereto.

"Leased Personal Property" shall mean means all items of machinery, equipment and other tangible personal property that is acquired or placed in service by the Lessee and installed or otherwise located on or about or used in connection with the Leased Land during the Term, together with additions thereto, replacements thereof and substitutions therefor, in connection with the Project.

"Leased Property" shall mean the Leased Land and Leased Personal Property.

"Lessee" shall mean Eastman Chemical Company, a Delaware corporation.

"Lessor" shall mean The Industrial Development Board of the City of Kingsport, Tennessee, a public nonprofit corporation organized under the Act.

"PILOT Agreement" shall mean the Payment in Lieu of Tax Agreement between Lessor and Lessee of even date herewith.

"Tax Year" shall mean each annual period beginning on January 1 of each year and ending on December 31 of that year.

"Term" shall mean the term described in Article III.

ARTICLE II Representations of Lessee

Section 2.01 Lessee makes the following representations and warranties to induce Lessor to enter into this Lease:

Lessee is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware and qualified to do business in the State of Tennessee, has full power and authority

to enter into this Agreement and to perform all obligations contained herein and therein, and has, by proper action, been duly authorized to execute and deliver this Lease and, when executed and delivered by the parties thereto, this Lease will constitute the valid and binding obligation of Lessee enforceable in accordance with its terms.

Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated herein by Lessee, nor the fulfillment of or compliance with the terms and conditions of this Lease, does or will conflict with or result in a breach of the terms, conditions or provisions of any restriction or internal governing document of Lessee or any agreement or instrument to which Lessee is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree to which it is subject, or constitutes a default under any of the foregoing or, except as contemplated hereby, results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessee under the terms of any instrument or agreement.

There are no proceedings pending, or to the knowledge of Lessee threatened, against or affecting Lessee in any court or before any governmental authority, arbitration board or tribunal which involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of Lessee, or the ability of Lessee to perform its obligations under this Lease. Lessee is not in default with respect to an order of any court, governmental authority, arbitration board or tribunal.

No event has occurred and no condition exists with respect to Lessee that would constitute an Event of Default under this Lease, as defined in Article XIII, or which, with the lapse of time or with the giving of notice, or both, would become such an Event of Default.

To the knowledge of Lessee, there are no substances, materials, wastes, pollutants or contaminants located on the Leased Property that are regulated under any environmental law or regulation except those materials and substances that are maintained in compliance with such laws and regulations, and Lessee shall not permit material quantities of such substances, materials, wastes, pollutants or contaminants to exist on the Leased Property during the Term of this Lease except in compliance with such laws and regulations.

ARTICLE III Lease Term

Subject to the provisions contained in this Lease, this Lease shall be in full force and effect for a Term commencing on _____, and ending on December 31, 2032, unless terminated earlier, in accordance with the terms hereof.

Notwithstanding the foregoing, the Term of this Lease may be terminated as follows:

upon exercise by Lessee of the purchase option described in Article XIV hereof.

upon written notice by Lessor to Lessee that Lessee has achieved the maximum tax savings in the amount of \$10,500,000 as calculated in Section 2 of the Pilot Agreement.

ARTICLE IV Rent

Section 4.01 Basic Rent. Lessee will pay to Lessor without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, as Basic Rent on each January 1 during the Term, the sum of \$1.00. Lessor acknowledges that Lessee has prepaid the Basic Rent for the Term on the date hereof.

Section 4.02 Additional Rent. Lessee agrees to pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay including all PILOT Payments as defined in the PILOT Agreement.

ARTICLE V

Compliance with Laws; Permitted Contests; Lessee's Acceptance of Leased Property; Reports; Net Lease

Section 5.01 Compliance with Laws. Lessee shall throughout the Term and at no expense to Lessor promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become lawfully applicable to the Leased Property, the repair and alteration thereof, and the use or manner of use of the Leased Property, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof; provided, however, that Lessee, in lieu of compliance with such laws, orders, rules, regulations and requirements, or the making of such additions, changes or alterations, may, at its option, exercise its right to purchase the Leased Property, as provided below and, in such event shall have no further liability hereunder, except as otherwise provided herein.

Section 5.02 Permitted Contests. Lessee shall not be required to comply or cause compliance with the laws, ordinances, orders, rules, regulations or requirements referenced in Section 5.01, so long as Lessee shall, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses (including attorneys' fees) in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses.

Section 5.03 Acceptance of Leased Property. Lessee acknowledges that, as between Lessor and Lessee, it has examined the Leased Property and the state of Lessor's title thereto prior to the making of this Lease and knows the condition and state thereof, including, without limitation, the environmental and soil conditions, as of the first day of the term of this Lease, and accepts the same AS IS in said condition and state; that no representations as to the condition or state thereof have been made by representatives of Lessor; and that in entering into this Lease, Lessee is relying solely upon its own examination thereof.

Section 5.04 Net Lease. This is a "net lease" and the Basic Rent, Additional Rent and all other sums payable hereunder to or for the account of Lessor shall be paid promptly and without set off, counterclaim, abatement, suspension, deduction, diminution or defense.

Section 5.05 Identification of Leased Personal Property. Lessee will at all times during the Term of this Lease maintain in its records a complete list of the Leased Personal Property which will

specifically identify each such item as being property of the Lessor and shall provide a copy of said records to Lessor.

ARTICLE VI Title and Tax Benefits

Section 6.01. No Conveyance of Title by Lessor. Lessor covenants and agrees that, except as set forth herein, during the Term of this Lease, it will not convey, pledge, encumber or suffer or permit the conveyance of, by any voluntary act on its part, its title to the Leased Property to any person, firm, corporation, or other entity whatsoever, irrespective of whether any such conveyance or attempted conveyance shall recite that it is expressly subject to the terms of this Lease unless such conveyance is consented, in writing, to by Lessee, its mortgagee that has been disclosed to Lessor in writing pursuant to Section 12.03. Lessor will not create any lien, encumbrance or charge upon its interest in the Leased Property except for any such lien, encumbrance or charge otherwise created by this Lease, the PILOT Agreement or consented to by Lessee.

Section 6.02. Tax Benefits. The parties acknowledge that Lessee is funding the construction, rehabilitation and equipping of the Project. It is agreed by the parties hereto that in no event is Lessor intended to be treated as the owner of the Leased Property or the Project for federal income and state franchise and excise tax purposes. Instead, all of the benefits and burdens of ownership of the Leased Property and the Project are held by Lessee and that Lessee shall be the owner of the Leased Property and Project for federal income and state franchise and excise tax purposes throughout the term of this Lease. Without limiting the generality of the foregoing, Lessee alone shall be entitled to claim depreciation or cost recovery deductions for all taxation purposes or cost recovery deductions on all buildings, structures and other improvements, all machinery, equipment and fixtures upon the Leased Property or that are part of the Project. Lessor shall execute and deliver other and further certificates, documents and amendments to this Lease as reasonably requested by Lessee (and at the expense of Lessee) to confirm and establish that Lessee is the owner of the Leased Property or Project for federal income and state franchise and excise tax purposes.

ARTICLE VII Taxes and Other Charges

Section 7.01 Taxes and Other Governmental Charges. Lessee agrees, subject to the terms of the PILOT Agreement, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable without penalty, all ad valorem taxes that at any time during the Term shall be or become due and payable by Lessor or Lessee and that shall be levied, assessed or imposed upon, or that shall be or become liens upon, the Leased Property or any portion thereof or any interest of Lessor or Lessee therein, under and by virtue of any present or future law, statute, regulation or other requirement of any governmental authority.

Section 7.02 Utility Services. Lessee agrees that Lessor is not, nor shall it be, required to furnish to Lessee or any other user of the Leased Property any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind pursuant to this Lease and Lessee agrees that it shall pay all costs and expenses related to the foregoing. This is a fully net Lease to the Lessor.

Section, 7.03 Reports. On behalf of Lessor, Lessee shall, during the term of this Lease, submit on or before October 1 of each year to the Tennessee State Board of Equalization the annual report required to be submitted by it pursuant to Section 7-53-305 of the Act.

ARTICLE VIII
Maintenance and Repair

Lessor shall not be required to rebuild or to make any repairs, replacements or renewals of any nature or description to the Leased Property or to make any expenditures whatsoever in connection with this Lease or to maintain the Leased Property in any way. Lessee expressly waives the right contained in any law now or hereafter in effect to make any repairs at the expense of Lessor.

Lessee shall keep and maintain in good order, condition and repair (including any such repair as is required due to fire, storm or other casualty) the Leased Property and every part thereof and any and all appurtenances thereto. Lessee shall save Lessor harmless on account of claims for mechanics and materialmen's liens in connection with any work by Lessee, and any such liens shall exist only against Lessee's leasehold interest and shall be discharged, by bond or otherwise, within sixty (60) days after filing. Lessee shall keep and maintain the Leased Property in accordance with all directions, rules and regulations of the proper officials of the government agencies having jurisdiction, at the sole cost and expense of Lessee. Lessee shall be entitled to receive all proceeds of casualty insurance relating to any damage or destruction of any portion of the Leased Property.

ARTICLE IX
Condemnation

If during the Term, all or any part of the Leased Property be taken by the exercise of the power of eminent domain or condemnation, Lessee shall be entitled to and shall receive the entire award for the taking. If title to or control of all of the Leased Property shall be taken by the exercise of the power of eminent domain or condemnation, or if such use or control of a substantial part of the Leased Property shall be taken as to result in rendering a substantial part of the Leased Property untenable or of materially reduced value to Lessee, Lessee may terminate this Lease and exercise the purchase option purchase to Article XIV by giving written notice to the Lessor and thereafter shall have no further liability hereunder except as specifically provided herein, provided, as a condition of such termination, Lessor may require Lessee to remove all or a portion of the improvements from the remaining portion of the Leased Property.

ARTICLE X
Insurance and Indemnification

Section 10.01 Insurance. Lessee shall at Lessee's sole expense carry commercial general liability insurance covering the Leased Property and the use and occupancy of the same in a company or companies licensed to do business in Tennessee under a policy satisfactory to Lessor both as to amount and coverage and shall provide evidence of same to Lessor. Lessor shall be listed as an additional insured on such policy. Lessee shall also insure all improvements on the Leased Property at their full replacement value, with Lessor being included as an additional insured, and Lessee shall provide evidence of same to Lessor. Each policy described above shall not be canceled without first giving Lessor not less than thirty (30) days prior written notice. Lessee shall provide to Lessor evidence of all insurance policies contemplated by this Section, including, upon request, annual certificates of continued coverage.

Section 10.02 Indemnification. Lessee covenants and agrees, at its expense, to pay, and to indemnify and save Lessor and its directors, agents and employees (collectively, the "Indemnified Parties")

harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from any work or activity done in or about the Leased Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Property or the occupancy or use thereof. Lessee also covenants and agrees, at its expense, to pay, and to indemnify and save the Indemnified Parties harmless against and from, any and all claims, costs or expenses arising from (i) any condition, including any environmental condition, now existing or hereafter arising, on the Leased Property, (ii) any breach or default on the part of Lessee in the performance of any covenant or agreement to be performed by Lessee pursuant to this Lease, (iii) any act or negligence of Lessee, or any of its agents, contractors, servants, employees or licensees, (iv) the failure of the Acquisition Deed to convey title to the Leased Land to Lessor on the date hereof other than as described in the Acquisition Deed, (v) any disputes, demands or claims related to the title of the Leased Land or any liens or other encumbrances affecting the Leased Land (other than claims originating from an action in violation of Section 6.01 hereof), or (vi) any accident, injury or damage whatever caused to any person, firm or corporation in or about the Leased Property and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section. In the event that any action or proceeding is brought against any Indemnified Party by reason of any such claims, Lessee, upon notice from such Indemnified Party, covenants to resist or defend such action or proceeding. Notwithstanding anything in this Lease to the contrary, Lessee shall not be required to indemnify any of the Indemnified Parties in the event of any acts of willful misconduct or intentional misconduct of any of the Indemnified Parties. The indemnification provided shall survive termination of this Lease.

Section 10.03 Limitation of Liability. Notwithstanding anything in this Lease to the contrary, this Lease and the obligations of Lessor hereunder shall be non-recourse as to Lessor, and Lessor shall have absolutely no personal or individual liability with respect to any of the terms, covenants and conditions of this Lease. Lessee hereby expressly agrees that it shall look solely to the equity of Lessor or its successor(s) interest in the Leased Premises for the satisfaction of any remedy of Lessee in the event of any breach by Lessor of any of the terms covenants and conditions of this Lease. This exculpation of Lessor's personal liability is absolute and without any exception whatsoever. Lessee acknowledges that Lessor is a governmental entity and is subject to the protection of the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated § 29-20-101 through 29-20-408 (as amended from time to time), and nothing contained herein shall constitute a waiver or release of Lessor's rights and protections under said Act.

ARTICLE XI

Renovations, Replacements and Alterations of Property

Lessee shall have the right to construct buildings and other improvements and place tangible personal property on the Leased Land from time to time and to make additions to, replacements of and alterations of any such buildings and improvements and any existing buildings, improvements and personal property. All work done in connection with such additions, alterations, replacements, improvements or construction shall be done promptly, and in good and workmanlike manner, and in compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and offices thereof. Lessee shall maintain or cause to be maintained, at all times when any work is in process in connection with such additions, alterations, improvements or construction, workmen's compensation insurance covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Property.

Lessee covenants and agrees at its expense to cause the renovation of the existing building and

structures located and the installation of the Leased Personal Property on the Leased Land. In connection therewith, Lessee agrees to incur capital expenditures for the Project in an aggregate amount of not less than \$268,000,000.00. It is understood and agreed that all improvements, machinery, equipment or fixtures from time to time placed on the Leased Land, shall become the property of Lessor and part of the Leased Property, subject to the purchase option set forth in Article XIV.

The Lessor shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery or equipment constituting a part of the Project. In any instance where the Lessee in its sole discretion determines that any items of such machinery or equipment have become inadequate, obsolete, undesirable or unnecessary, the Lessee may remove such items of machinery or equipment and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part).

ARTICLE XII Subletting and Assignments

Section 12.01 Assignment or Subleasing. This Agreement may be assigned and the Property be subleased, as a whole or in part, (including collateral assignments, leasehold mortgages and similar pledges) by the Lessee without the prior written consent of the Board provided that:

Unless authorized in writing by the Lessor, no assignment or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and, in the event of any such assignment or subleasing, the Lessee shall continue to remain primarily liable for performance and observance of the agreements on its part herein and the PILOT Agreement provided to be performed and observed by it to the same extent as though no assignment or subleasing had been made. The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

ARTICLE XIII Events of Default; Termination

If any one or more of the following events (herein called "Events of Default") shall happen:

- (a) if Lessee fails to maintain the commercial general liability insurance required by Section 10.01 after being given notice of such failure and not curing such failure within ten (10) days of receipt of such notice; or
- (b) if default shall be made in the due and punctual payment of any payment due pursuant to this Agreement, and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; or
- (c) an Event of Default shall occur under the PILOT Agreement and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; provided, however, if the circumstance or condition constituting an Event of Default cannot reasonably be cured within thirty (30) days after receipt of such written notice, then the Company shall have such additional time as may reasonable under the circumstances to cure or remedy such Event of Default before KEDB shall be entitled to exercise rights and remedies with respect to such Event of Default.

then in any such event Lessor at any time thereafter and while such Event of Default shall continue may

give a written termination notice to Lessee, which notice shall specify the nature of the Event of Default and a date of termination of this Lease not less than sixty (60) days after the giving of such notice. Upon such termination, Lessor shall have the right, but not the obligation, to enter upon the Leased Property and repossess the Leased Property. This termination right is subject to Lessee's right to purchase the Leased Property pursuant to Section 14.01 and at any time during or within 30 days after the term of this Lease, Lessee may exercise its right in Section 14.01 to purchase the Leased Property without regard to whether an Event of Default has occurred.

ARTICLE XIV Purchases and Purchase Prices

Section 14.01 Option to Purchase. Lessee shall have an irrevocable and exclusive option to purchase the Leased Property as a whole or any part thereof at any time during the Term or within thirty (30) days after the termination or expiration of the Lease for the amount provided in Section 14.03. To exercise such option Lessee shall (i) give Lessor at least ten (10) business days' prior written notice of its intent to exercise any option granted pursuant to this Section 14.01, which notice shall state the purchase date, and (ii) comply with the provisions of Section 14.03 hereof. The option to be exercised by Lessee hereunder may be exercised whether or not a default or Event of Default has occurred hereunder.

Section 14.02 Granting of Easements. From time to time during the Term, Lessee shall have the right, at Lessee's expense, to cause Lessor (i) to grant easements affecting the Leased Land, (ii) to dedicate or convey, as required, portions of the Leased Land for road, highway and utilities and other public purposes, and (iii) to execute petitions to have the Leased Land or portions thereof annexed to any municipality or included within any utility, highway or other improvement or service district. Lessor shall also promptly execute and deliver estoppels, joinders, non-disturbance agreements and other documents required in connection with Lessee's use, financing, and refinancing of the Leased Property.

Section 14.03 Exercise of Option.

To exercise any option contained in Section 14.01, Lessee shall pay, or cause to be paid, on or prior to the purchase date, as the purchase price the sum of (i) \$1.00 plus (ii) any other amounts that are then due or that have accrued under this Lease (including, without limitation, any amounts due upon termination or expiration of this Lease).

On the purchase date for the purchase of the Leased Property pursuant to Section 14.01, this Lease shall terminate and Lessor shall convey Lessor's interest in the Leased Property to Lessee (or its assigns) by quitclaim deed, assignment of lease or bill of sale, as the case may be, without warranty of any type regarding title and condition of the Property. The form of the quitclaim deed, assignment of lease and bill of sale to which property will be conveyed pursuant to this Section shall be in the forms attached hereto as collective Exhibit B. Lessee shall pay all expenses relating to such conveyance.

ARTICLE XV Miscellaneous

Section 15.01 Applicable Law. This Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Tennessee.

Section 15.02 Severability. In the event that any clause or provision of this Lease shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 15.03 Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Lease shall be in writing, and shall be effective either (a) when delivered personally to the party for whom intended, (b) on the second business day following mailing by a nationally recognized overnight courier service, (c) on the fifth day following mailing by certified or registered mail, return receipt requested, postage prepaid, or (d) on the date transmitted by telecopy as shown on the telecopy confirmation therefor as long as such telecopy transmission is followed by mailing of such notice by certified or registered mail, return receipt requested, postage prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Lessor:

The Industrial Development Board of the City of Kingsport, Tennessee
400 Clinchfield Street, Suite 100
Kingsport TN 37660
Attention: Chairman

To the Lessee:

EASTMAN CHEMICAL COMPANY

Attention: _____

Section 15.04 Headings and References. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions thereof. All references in this Lease to particular Articles or Sections are references to Articles or Sections of this Lease, unless otherwise indicated.

Section 15.05 Successors and Assigns. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 15.06 Multiple Counterparts. This Lease may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 15.07 Expenses. Lessee shall pay all costs and expenses of Lessor in connection with the preparation, negotiation and execution of this Lease and the PILOT Agreement and the performance thereof, including the reasonable fees and expenses of Lessor's attorneys. In addition, in the event that Lessor shall be required to engage legal counsel for the performance or enforcement of any of the terms of this Lease of the PILOT Agreement, whether or not such employment shall require institution of suit or other legal services required to secure compliance on the part of Lessee, Lessee shall be responsible for and shall promptly pay to Lessor the reasonable value of said attorneys' fees, and any other reasonable expenses incurred by Lessor as a result of such default.

Section 15.08 No Liability of Officers, Etc. No recourse under or upon any obligation, covenants or agreement contained in this Lease shall be had against any incorporator, members, director or officer, as such, past, present or future, of Lessor, either directly or through the Lessor. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or

otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by Lessee as a condition of and consideration for the execution of this Lease.

Section 15.09 No Liability of City, County, Officers, Etc. The City, County and the officers and agents of the City and County shall not in any event be liable for the performance of any obligation or agreement of any kind whatsoever herein, and none of the agreements or obligations of Lessor contained in this Lease or otherwise shall be construed to constitute an indebtedness of the City, County or the officers or agents of the City or County, within the meaning of any constitutional or statutory provision whatsoever.

Section 15.10 Limitation of Liability. Notwithstanding any other provision hereof, Lessor's liability hereunder shall be limited to its interest in the Leased Property and the payments to be made pursuant to this Lease, and Lessee shall not have any recourse against any other assets of Lessor.

Section 15.11 Cost-Benefit Analysis. Attached hereto as Exhibit C is the analysis of the costs and benefits of the payment-in-lieu of tax provisions of this Lease required by Tennessee Code Annotated Section 7-53-305(b).

Section 15.12 Memorandum of Lease. Attached hereto as Exhibit D is the form of Memorandum of Lease to be recorded with the Register of Deeds of Sullivan County, Tennessee.

[Signatures appear on following page.]

IN WITNESS WHEREOF, this Lease has been duly executed by the parties hereto as of the date and year first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF KINGSPORT, TENNESSEE

ATTEST:

By: _____
Chairman

Secretary

EASTMAN CHEMICAL COMPANY
a Delaware corporation

By: _____
Name: _____
Title: _____

STATE OF TENNESSEE :
:SS.
COUNTY OF SULLIVAN :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, _____, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the Chairman of The Industrial Development Board of the City of Kingsport, Tennessee, the within-named bargainor, a corporation, and that he as such Chairman, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the corporation by himself as Chairman.

WITNESS my hand and official seal at office this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF TENNESSEE :
 :ss.
COUNTY OF SULLIVAN :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, _____, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the _____ of EASTMAN CHEMICAL COMPANY, the within-named bargainor, a corporation, and that he/she as such _____, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the corporation by himself/herself as _____.

WITNESS my hand and official seal at office this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

LEASE EXHIBIT A
EASTMAN CHEMICAL METHANOLYSIS PLANT

Being a Lease located in the Eleventh Civil District of Sullivan County Tennessee, lying north of John B. Dennis Highway and southwest of the centerline intersection of Lincoln Street and John B. Dennis Highway, said Lease Area being a portion of Parcel 2.00 as shown on Tax Map 61K, Group "E", and being known as a portion of Eastman Chemical property, as recorded in Deed Book 965c, Page 343, and being more particularly described as follows:

LEASE AREA 1

Commencing at a point in the southwest corner of Lease Area 2, said point being South 83 deg. 15 min. 37 sec. West, 1924.4 feet from the centerline intersection of Lincoln Street and John B. Dennis Highway, said point also being North 08 deg. 22 min. 30 sec. East, 99.43 feet from Eastman survey control monument No. 17 (bearings and distances are relative to Eastman Plant Control Monuments No. 17 & 83 having a bearing of North 00 deg. 40 min. 51 sec. West from No. 17 to 83);

Thence, along Lease Area 2, North 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, leaving Lease Area 2 along a tie line, North 00 deg. 00 min. 00 sec. East, 290.00 feet to the point of Beginning of Lease Area 1;

Thence, along Lease Area 1 the following 8 calls, North 00 deg. 00 min. 00 sec. East, 386.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 185.00 feet to a point;

Thence, South 00 deg. 00 min. 00 deg. East, 230.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 130.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. East, 75.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. West, 130.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. West, 81.00 feet to a point;

Thence, South 90 deg. 00 min. 00 sec. West, 185.00 feet to the point of Beginning.

Containing 81,160 square feet or 1.863 acres as shown on exhibit prepared by Barge Design Solutions, inc. Bearing File No. 37427-06.

LEASE AREA 2

Beginning at a point in the southwest corner of Lease Area 2, said point being South 83 deg. 15 min. 37 sec. West, 1924.4 feet from the centerline intersection of Lincoln Street

and John B. Dennis Highway, said point also being North 08 deg. 22 min. 30 sec. East, 99.43 feet from Eastman survey control monument No. 17 (bearings and distances are relative to Eastman Plant Control Monuments No. 17 & 83 having a bearing of North 00 deg. 40 min. 51 sec. West from No. 17 to 83);

Thence, along the Lease Area the following 4 calls, North 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 175.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, South 90 deg. 00 min. 00 sec. West, 175.00 feet to the point of Beginning.

Containing 31,500 square feet or 0.723 acres as shown on exhibit prepared by Barge Design Solutions, Inc. Bearing File No. 37427-06.

LEASE EXHIBIT B

THIS ASSIGNMENT OF GROUND LEASE ("Assignment") is made and entered into as of the _____ day of _____, _____, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a public not-for-profit corporation organized under the laws of the State of Tennessee, LLC, ("Assignor") and EASTMAN CHEMICAL COMPANY, a Delaware corporation ("Assignee").

WITNESSETH

WHEREAS, Assignor is the tenant under the lease described on Exhibit "A" attached hereto (the "Lease"); and

WHEREAS, Assignor desires to execute this Assignment for the purposes of assigning to Assignee all of Assignor's right, title and interest in, to and under the Lease, as more particularly set forth herein; and

WHEREAS, Assignee desires to accept the assignment of Assignor's right, title and interest in, to and under the Lease.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby assigns to Assignee all of its right, title and interest in, to and under the Lease.
2. Assignee hereby indemnifies and saves Assignor harmless from any and all claims, demands, actions, causes of action, suits, proceedings, damages, liabilities and costs and expenses of every nature whatsoever relating to the Lease to the extent the same result from Assignee's failure to pay or perform any obligations under the Lease that are payable or performable during the term of the Lease.
3. Assignee hereby accepts the foregoing assignment and hereby assumes all terms, covenants and conditions of the Tenant under the Lease subject to Assignee's indemnification of Assignor as provided in Paragraph 2.
4. This Agreement shall bind and inure to the benefit of the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed or have caused their duly authorized representatives to execute this Assignment as of the date first written above.

ASSIGNOR:

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF KINGSPORT,
TENNESSEE, a public corporation

By: _____

Title: _____

ASSIGNEE:

EASTMAN CHEMICAL COMPANY, a
Delaware corporation

By: _____

Title: _____

STATE OF _____ :

COUNTY OF _____ :

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _____ of EASTMAN CHEMICAL COMPANY, the within named bargainor, a Delaware corporation, and that he, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as _____.

WITNESS my hand and seal on this the _____ day of _____,
_____.

Notary Public

My Commission Expires: _____

STATE OF TENNESSEE :

COUNTY OF SULLIVAN :

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chairman of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, the within named bargainor, a public not-for-profit corporation, and that he, as such Chairman, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as Chairman.

WITNESS my hand and seal at office in Kingsport, Tennessee, the _____ day of _____, _____.

Notary Public

My Commission Expires: _____

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, as further set forth and described in that certain Payment in Lieu of Tax Agreement dated as of _____, 2021, (the "PILOT Agreement") and that certain Lease Agreement dated as of _____, 2021, (the "Lease Agreement"), made by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, ("Assignor") and EASTMAN CHEMICAL COMPANY, ("Assignee"), the undersigned Assignor, pursuant to the PILOT Agreement and Lease Agreement, does hereby sell, transfer, assign and convey to Assignee all of Assignor's right, title and interest in and to: all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the Real Property as defined in the Lease Agreement at any time during the Term of the Lease Agreement, together with all replacements and substitutions therefore, all as more particularly described on Schedule One attached hereto.

Such assets, properties and interest as shown on Schedule One are transferred, sold and conveyed to Assignee AS IS, WHERE IS AND with all faults, without any express or implied warranty or representation as to physical condition, merchantability, fitness for a particular purpose, or any other matter; provided, however, Assignor hereby warrants and represents to Assignee that Assignor has taken no actions to impair title to such assets, properties and interests.

IN WITNESS WHEREOF, the undersigned company has caused this Bill of Sale to be executed and delivered by its duly authorized officer effective as of _____, 2021

ASSIGNOR:

EASTMAN CHEMICAL COMPANY

By: _____

Its: _____

ASSIGNEE:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE**

By: _____

Its: _____

Schedule One

Equipment List

LEASE EXHIBIT C

Cost-Benefit Analysis

LEASE EXHIBIT D
MEMORANDUM OF LEASE

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made as of August __, 2021, by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE**, a public nonprofit corporation organized under Tennessee law (herein "Lessor") and **EASTMAN CHEMICAL COMPANY**, a Delaware corporation (herein "Lessee")

RECITALS:

- A. Lessor is the prime ground lessee of those tracts/parcels of land described on Exhibit A attached hereto and incorporated herein by reference (the "Land").
- B. Pursuant to a Lease dated ____, 2021 (the "Lease"), Lessee has leased the Land from Lessor.
- C. Lessor and Lessee desire to place this Memorandum of record in the Register's Office for Sullivan County at Blountville, Tennessee in order to provide record notice to third parties of Lessee's leasehold estate in and to the Land.

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

- 1. Pursuant to the terms and conditions of the Lease, Lessor has leased to Lessee, and Lessee has accepted and leased from Lessor, the Land.
- 2. The term of the Lease shall run from _____ through December 31, 2032
- 3. Pursuant to the terms and conditions of the Lease, Lessor has the option to purchase the Land and all improvements thereon, and all of Lessor's right, title and interest therein, at any time during the term of the Lease or within thirty (30) days after the termination or expiration of the Lease.
- 4. This Memorandum contains only selected provisions of the Lease and reference is made to the full text of the Lease for the full statement of applicable terms and conditions. Any capitalized terms used herein which are not otherwise defined shall have the meanings ascribed to such terms under the Lease. This Memorandum of Lease shall not, in any way, amend or supersede the terms and conditions of the Lease. In the event of any conflict

between the terms and conditions of this Memorandum of Lease and the Lease, the Lease shall control.

5. Any notices or inquiries may be directed as follows:

To the Lessor:

The Industrial Development Board of the City of Kingsport, Tennessee
400 Clinchfield Street, Suite 100
Kingsport TN 37660
Attention: Chairman

To the Lessee:

EASTMAN CHEMICAL COMPANY

Attention: _____

[Signatures on Following Pages]

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Memorandum by and through their respective duly authorized officers as of the date first set forth above.

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF KINGSPORT, TENNESSEE**

By: _____

Name:

Chairman

ATTEST:

Secretary

**STATE OF TENNESSEE
COUNTY OF SULLIVAN**

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chairman of **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE**, the within named bargainor, a public nonprofit corporation organized under Tennessee law, and that he as such Chairman executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Chairman.

WITNESS my hand and official seal this ____ day of _____, 2021.

NOTARY PUBLIC

My commission expires: _____

[Signature Page to Memorandum of Lease]

EASTMAN CHEMICAL COMPANY

By: _____

Name: _____

Title: _____

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _____ of **EASTMAN CHEMICAL COMPANY**, the within named bargainor, a Delaware corporation, and that he/she as such _____ executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as _____.

WITNESS my hand and official seal this ____ day of _____, 2021.

NOTARY PUBLIC

My commission expires: _____

MEMORANDUM OF LEASE EXHIBIT "A"
EASTMAN CHEMICAL METHANOLYSIS PLANT

Being a Lease located in the Eleventh Civil District of Sullivan County Tennessee, lying north of John B. Dennis Highway and southwest of the centerline intersection of Lincoln Street and John B. Dennis Highway, said Lease Area being a portion of Parcel 2.00 as shown on Tax Map 61K, Group "E", and being known as a portion of Eastman Chemical property, as recorded in Deed Book 965c, Page 343, and being more particularly described as follows:

LEASE AREA 1

Commencing at a point in the southwest corner of Lease Area 2, said point being South 83 deg. 15 min. 37 sec. West, 1924.4 feet from the centerline intersection of Lincoln Street and John B. Dennis Highway, said point also being North 08 deg. 22 min. 30 sec. East, 99.43 feet from Eastman survey control monument No. 17 (bearings and distances are relative to Eastman Plant Control Monuments No. 17 & 83 having a bearing of North 00 deg. 40 min. 51 sec. West from No. 17 to 83);

Thence, along Lease Area 2, North 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, leaving Lease Area 2 along a tie line, North 00 deg. 00 min. 00 sec. East, 290.00 feet to the point of Beginning of Lease Area 1;

Thence, along Lease Area 1 the following 8 calls, North 00 deg. 00 min. 00 sec. East, 386.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 185.00 feet to a point;

Thence, South 00 deg. 00 min. 00 deg. East, 230.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 130.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. East, 75.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. West, 130.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. West, 81.00 feet to a point;

Thence, South 90 deg. 00 min. 00 sec. West, 185.00 feet to the point of

Beginning.

Containing 81,160 square feet or 1.863 acres as shown on exhibit prepared by Barge Design Solutions, inc. Bearing File No. 37427-06.

LEASE AREA 2

Beginning at a point in the southwest corner of Lease Area 2, said point being South 83 deg. 15 min. 37 sec. West, 1924.4 feet from the centerline intersection of Lincoln Street

and John B. Dennis Highway, said point also being North 08 deg. 22 min. 30 sec. East, 99.43 feet from Eastman survey control monument No. 17 (bearings and distances are relative to Eastman Plant Control Monuments No. 17 & 83 having a bearing of North 00 deg. 40 min. 51 sec. West from No. 17 to 83);

Thence, along the Lease Area the following 4 calls, North 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, North 90 deg. 00 min. 00 sec. East, 175.00 feet to a point;

Thence, South 00 deg. 00 min. 00 sec. East, 180.00 feet to a point;

Thence, South 90 deg. 00 min. 00 sec. West, 175.00 feet to the point of Beginning.

Containing 31,500 square feet or 0.723 acres as shown on exhibit prepared by Barge Design Solutions, Inc. Bearing File No. 37427-06.

EXHIBIT "H"

DESCRIPTION OF BORDEN MILL PROPERTY



AGENDA ACTION FORM

Lease Agreement with Eastman Chemical Company

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

Action Form No.: AF-56-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: R. McReynolds/M. Billingsley
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

The property located at 1700 N. John B. Dennis Highway is owned by the City of Kingsport and contains a building and parking area. The building located on the property is an office building which is approximately 4,700 square feet, a paved parking area, and a fenced gravel parking area in the back. Eastman Chemical Company desires to lease the property, utilizing for office requirements, parking, and storage.

Eastman Chemical Company proposes the initial term of the lease is 24 months with an option to extend the lease for one additional 12 months term. The base rent for the initial term is \$1,000.00 per month. The Public Works Director has reviewed and approved the use of this property as appropriate at this time and no other issues have been identified by city departments regarding the use of the property. The property was declared surplus on June 15, 2017.

Attachments:

1. Resolution
2. Map

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH EASTMAN CHEMICAL COMPANY FOR PROPERTY LOCATED AT 1700 NORTH JOHN B. DENNIS HIGHWAY, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the property located at 1700 N. John B. Dennis Highway is owned by the city and contains an office building which is approximately 4,700 square feet, a paved parking lot and a fenced gravel parking area in the back; and

WHEREAS, Eastman Chemical Company desires to lease the property, utilizing the property for office requirements, parking, and storage; with an initial term lease of 24 months with an option to extend the lease for one additional 12 month term, with a rent of \$1,000.00 per month.

Now therefore,

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

SECTION I. That a Lease Agreement with Eastman Chemical Company for property located at 1700 N. John B. Dennis Highway is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the a Lease Agreement with Eastman Chemical Company for property located at 1700 N. John B. Dennis Highway and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

LEASE

THIS LEASE (herein "Lease") is made and entered into as of the last date entered with the signatures below, by and between CITY OF KINGSPORT, TENNESSEE, a municipal corporation of the State of Tennessee, (herein "Lessor") and EASTMAN CHEMICAL COMPANY, a Delaware Corporation, (herein "Lessee").

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and mutual covenants of the parties contained herein the parties agree as follows:

SECTION 1. PREMISES. Lessor in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the Lessee, and subject to the use of the Lessor of the property for its underground tunnel and the restrictions contained herein does hereby lease to the Lessee and the Lessee does hereby lease and take from the Lessor the following described property (herein "Premises") and all improvements located thereon:

BEGINNING at an iron pin in the northwesterly sideline of the John B. Dennis By-Pass, said point being 430 feet, more or less, easterly from the center line of the Clinchfield Railroad right-of-way and being a corner to property owned by the City of Kingsport, Tennessee, thence with the City of Kingsport property line, N. 35° 43' E., 416.02 feet to an iron pin; thence S. 40° 06' E., 184.89 feet to an iron pin; thence S. 43° 12' W., 225.84 feet to an iron pin in the northwesterly sideline of the John B. Dennis By-Pass; thence with the said sideline of said By-Pass and by a curve to the left having a radius of 2303.6 feet, an arc distance of 210 feet to the point of BEGINNING, containing 1.18 acres, more or less.

And being the same property conveyed to City of Kingsport from Tennessee Electric Company, Inc., by deed dated September 22, 2014, of record in the Register's Office of Sullivan County, Tennessee in Book 3134, page 1708.

Tax ID: Map 76D, Control Map 61M, Group A, Parcel 26

SECTION 2. LEASE TERM. The term of this Lease (herein "Initial Term") shall be twenty-four (24) months beginning on last date entered with the signatures below, at noon and terminating the ending on the same day and month twenty-fourth (24) months thereafter, at noon, unless sooner terminated as herein provided. Provided Lessee is not in default, Lessor grants to Lessee the right to extend this Lease for one (1) additional consecutive term of twelve (12) months (herein "Renewal Term") upon the terms, covenants and conditions contained herein. Lessee may exercise such right to extend the Initial Term upon written notice to Lessor at least ninety (90) days prior to the expiration of the Initial Term of the Lease. In no event will the Initial Term and Renewal Term extend beyond three years, except on written agreement of the parties.

SECTION 3. RENT. Lessee shall pay to Lessor, as rent, without demand or deduction, as rent One Thousand Dollars (\$1,000) per month with the first payment due on the date of the beginning of the Initial Term and on the same day each month thereafter during the Initial Term, and likewise for the Renewal Term without offset or deduction. All payments shall be made to Lessor at City of Kingsport, Tennessee, 225 W Center Street, Kingsport, Tennessee 37660, Attention: Lisa Winkle or designee, or at such other place as is designated in writing by Lessor. It is the intention of the Lessor and Lessee that utilities described in Section 5 shall be paid by Lessee and the Lessor shall be indemnified by Lessee and is hereby so indemnified by Lessee against such costs, charges, expenses, and obligation. In addition to the rent provided herein, Lessee must pay to Lessor any and all real estate taxes, assessments, and other governmental levies and charges, general and special, ordinary or extraordinary, unforeseen or foreseen, of any kind which are assessed against or imposed in respect of the Premises.

SECTION 4. USE OF PREMISES. Lessee shall use the Premises for the purpose for office requirements, parking, and storage, and for no other purpose. Lessee agrees not to use the Premises in any way that may be unlawful, improper, noisy, offensive, or contrary to any applicable statute, regulation, ordinance or bylaw. Lessee shall not permit the sale, service, use, consumption, display, storage, or presence of alcoholic beverages, wine, or beer, including brown bagging, on the Premises at any time.

SECTION 5. UTILITIES. During the Initial Term or Renewal Term, Lessee shall be solely responsible for the payment of all utilities, including but not limited to, water/sewer bills, power bills and natural gas bills, garbage collection, telephone, cable, internet, and any service fees required for the installation of these utilities.

SECTION 6. CLEAN AND SANITARY CONDITION. During the Initial Term and Renewal Term, Lessee shall keep and maintain the Premises in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by Lessee in facilities specifically for garbage collection. Lessee shall further comply with all local ordinances and regulations imposed by Lessor relating to maintaining the Premises in a clean and sanitary condition and collection of garbage and similar debris. Lessee shall be responsible for janitorial services and pest control for the Premises.

SECTION 7. LESSEE'S MAINTENANCE. Except as otherwise stated in this Lease it shall be Lessee's sole responsibility to keep and maintain the entire Premises, and every part thereof, in good condition and repair at all times during the Initial Term or Renewal Term. Lessee shall maintain the Premises in compliance with the laws of the state of Tennessee and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction. Lessee shall comply with all requirements of law, ordinance and otherwise, affecting the Premises. If Lessee refuses or neglects to commence and to complete repairs promptly and adequately, Lessor may declare the Lessee in breach of this Lease. Lessee shall, upon the expiration or termination of this Lease, surrender the Premises in good condition, broom clean, reasonable wear and tear excepted.

SECTION 8. LESSOR'S MAINTENANCE. Except for any repairs necessitated by the negligent act or omission of Lessee, its agents, servants, or invitees, or by any unusual use of the Premises by Lessee, Lessor shall, upon receipt of notice in writing from Lessee when such repairs are necessary, repair and maintain in good order and condition the roof, maintain the sewer, water lines, and other matters related to plumbing, maintain the HVAC systems in the building, and be responsible for all other items of maintenance not specifically assigned to the Lessee. Additionally, prior to occupancy by Lessee Lessor will broom clean the building on the Premises including the removal of loose items on the office floor, clean the area of the Premises outside the building including the removal of any trash and debris, and ensure all light bulbs and ballasts in the Premises are in good and working

condition as of the lease commencement date, after which point Lessee will be responsible for all light bulbs and ballasts.

SECTION 9. COMPLIANCE WITH APPLICABLE LAWS. Throughout the Initial Term or Renewal Term, Lessee shall comply with all present and future laws, statutes, codes, ordinances, rules and regulations of the federal government, state of Tennessee, or City of Kingsport, restrictive covenants and all orders, decrees and like actions of any court of competent jurisdiction which may be applicable to the Premises.

SECTION 10. ALTERATIONS. The Lessee shall have the right, at its sole expense, from time to time, to maintain security of Lessee's material and equipment inside the building on the Premises, including the right to install security devices (locks, cameras, card readers, door buzzers, intercom, and door alarms) on the exterior doors to the building on the Premises, and these devices may be connected to Lessee's security system, to install an independent computer network within the Premises, and redecorate the Premises and to make such non-structural alterations and changes in such parts thereof as Lessee shall deem expedient or necessary for its purposes; provided, however, that such alterations and changes shall neither impair the structural soundness nor diminish the value of the Premises and shall otherwise comply with the requirements of this Lease. Lessee agrees to pay promptly when due the entire cost of any work performed by it upon the Premises so that the Premises at all times shall be free of liens for labor and materials. Lessee further agrees that in doing such work that it shall employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner. Lessee agrees that it shall procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable.

SECTION 11. SURRENDER OF PREMISES. On the expiration or earlier termination of this Lease pursuant to its terms, Lessee shall peaceably and quietly leave and surrender the Premises to the Lessor, in good order, condition and repair, broom clean, reasonable wear and tear excepted and free and clear of all liens.

SECTION 12. CONDITION OF PREMISES. Lessee has examined the Premises and accepts the same "AS IS" and "WHERE IS" in its present state and condition without any representations or warranties, express or implied, in fact or in law, by Lessor as to the nature, condition or usability thereof, or as to the use or uses to which the Premises may be put.

SECTION 13. FIRE, CASUALTY, EMINENT DOMAIN. Should a substantial portion of the Premises, be substantially damaged by fire or other casualty, or be taken by eminent domain, Lessor may elect to terminate this Lease. When such fire, casualty or taking renders the Premises substantially unsuitable for its intended use, a proportionate abatement of rent shall be made, and Lessee may elect to terminate this Lease if: (a) Lessor fails to give written notice within 30 days after a fire, casualty or taking of its intention to restore the Premises; or (b) Lessor fails to restore the Premises to a condition substantially suitable for its intended use within 90 days after a fire, casualty or taking. Notwithstanding the foregoing, in the event of damage by fire or other casualty resulting from the carelessness, negligence, intentional, or other improper conduct of Lessee, its agents, employees, contractors, or others acting on its behalf, or from the carelessness, negligence, intentional, or other conduct of Lessee's customers, guest, or visitors, Lessee shall have the full liability and responsibility for repairing and/or rebuilding from such casualty loss and for other damages and losses incurred by Lessor. Lessor reserves all rights for damages or injury to the Premises for any taking by eminent domain, except for damage to Lessee's property or equipment.

SECTION 14. FIRE INSURANCE. Lessee shall not permit any use of the Premises which shall adversely affect or make voidable any insurance on the property of which the Premises are a part, or on the contents within the property, or which shall be contrary to any law, regulation or recommendation made by the state fire prevention agency, local fire department, Lessor's insurer or any similar entity. Lessee shall not vacate the Premises or permit same to be unoccupied other than during Lessee's customary non-business days or hours, or cause or allow the utilities serving the Premises to be terminated.

SECTION 15. SIGNS. Lessee shall not place or permit to be placed, any sign or signboards on the exterior or interior of the Premises oriented to or adjacent to John B. Dennis Highway. Any sign on the Premises shall conform to all applicable laws. The cost for all signs shall be borne by Lessee. Lessor grants Lessee permission to place a sign on the side and front of the building, provided it complies with the requirements of this Section 15

SECTION 16. ASSIGNMENT OR SUBLEASE. Lessee may not assign this Lease, sublet the Premises, in whole or in part, or allow another entity or individual to occupy the whole or any part of the Premises, without Lessor's prior written consent, which may be withheld for any or no reason. If Lessee assigns this Lease or sublets the Premises without prior approval of Lessor, Lessor shall have the option to terminate this Lease, at an effective date to be determined by Lessor, upon written notice to Lessee.

SECTION 17. LESSOR'S ACCESS. Lessor, its agents and designates, may examine and inspect the Premises at reasonable times and Lessee shall provide Lessor, if not already available, with a set of keys for the purpose of such examination, provided that Lessor shall not thereby unreasonably interfere with the conduct of Lessee's business. Lessee shall permit Lessor to enter the Premises to inspect such repairs, improvements, alterations, or additions thereto as may be required under the provisions of this Lease. Lessor, its agents and designates, may at any reasonable time enter to show the Premises to others without creating any obligation or liability for Lessor. In the event of any emergency, Lessor, its agents and other representatives, may enter at any time, without notice and without the presence of Lessee. No compensation shall be asked or claim made by Lessee by reason of any inconvenience or annoyance arising from anything that may be done in repairing, altering, working or protecting the Premises or building, however the necessity may arise, by this Section 17 shall not be construed as imposing any duty on Lessor to make any repairs, alterations or additions. A city police officer shall accompany Lessor, or its agents or designates, when entering the Premises pursuant to this Section 17.

SECTION 18. LIABILITY. Lessee shall, and does hereby, assume all risk of loss or injury to the property or person of all persons at any time coming upon the Premises during the Initial Term or Renewal Term. Lessee shall be solely responsible, as between Lessor and Lessee, for deaths or personal injuries to all persons and damage to any property, including damage by fire or other casualty, occurring in or on the Premises and arising out of the use, control, condition, or occupancy of the Premises by Lessee, except for death, personal injuries or property damage to the extent resulting from the negligence or willful misconduct of Lessor or Lessor's employees, agents, or representatives. Lessee agrees to indemnify and hold harmless Lessor from any and all liability, including but not limited to out of pocket costs, expenses, damages, causes of action, claims, judgments and reasonable attorney fees to the extent caused by or arising out of any of the aforesaid matters.

SECTION 19. INSURANCE. Lessee shall, during the Initial Term and Renewal Term, keep in full force and effect at its own expense the following insurance or self-insurance:

- (a) Comprehensive General Liability Coverage. At all times during the Initial Term and Renewal Term, Lessee shall maintain in full force and effect policies of contractual and comprehensive general liability insurance, including public liability and broad form property damage, for not less than \$1,000,000 for each occurrence involving bodily injury (including death), and \$500,000 for each occurrence involving damage to property. The policy or policies shall name Lessor as an additional insured thereunder. All of such insurance shall insure the performance by Lessee of its indemnity agreement as to liability for injury to or death of persons and injury or damage to property. All of such insurance shall be primary and noncontributing with any insurance which may be carried by Lessor.
- (b) Fire Insurance. Lessor may maintain, for its sole use and benefit fire and extended risk insurance coverage insuring the Premises and the improvements presently existing or to be constructed within the Premises. Lessee shall maintain all insurance which it deems necessary for its protection against loss of or damage to any of its property located within the Premises.
- (c) Additional Insured Endorsement(s). As of the commencement of this Lease, Lessee shall provide Lessor with certified copies of additional insured endorsement(s) complying with the coverage requirements herein.
- (d) All insurance provided for in this Section 19, and all renewals thereof, shall be issued by responsible insurance companies authorized to do business in the State of Tennessee. If any insurer which has issued a policy of insurance required pursuant to this Lease becomes insolvent or the subject of any bankruptcy, receivership or similar proceeding, Lessee shall, in each instance, obtain a like policy issued by another insurer, which insurer and policy meet the requirements of this Lease.
- (e) Lessee's Release. Lessee hereby releases Lessor from any and all liability and responsibility to anyone claiming any loss or damage to property arising from a risk insured against under the insurance required to be carried by Lessee. To the extent obtainable, Lessee's insurance policies shall include appropriate clauses waiving all rights of subrogation against Lessor with respect to losses payable under such policies.
- (f) Use of Proceeds. Any Casualty Insurance Proceeds paid under any insurance policy of the character described in Section 19(b) shall be used to pay for the cost to restore the Improvements so damaged or destroyed.
- (g) Blanket Insurance. Nothing in this Section 19 shall prevent Lessee from taking out insurance of the kind and in the amounts provided for under Section 19 under a blanket insurance policy or policies which can cover other improvements on the Premises.

SECTION 20. DEFAULT AND ACCELERATION OF RENT. In the event that (a) any assignment for the benefit of creditors, trust mortgage, receivership, or other insolvency proceeding shall be made or instituted with respect to Lessee or Lessee's property or (b) Lessee shall default in the observance or performance of any of Lessee's covenants, agreements, or obligations hereunder and such default

shall not be corrected within 10 days after written notice thereof, then Lessor shall have the right thereafter, while such default continues and without demand or further notice, to re-enter and take possession of the Premises, to declare the Initial Term or Renewal Term ended, and/or to remove Lessee's effects, without being guilty of trespass or conversion, and without prejudice to any remedies which might be otherwise used for arrears of rent or other default or breach of the Lease. If Lessee defaults in the payment of the rent, or substantial invoice from Lessor or Lessor's agent, and such default continues for 10 days after written notice thereof, and because both parties agree that nonpayment of those sums when due is a substantial breach of the Lease, and, because the payment of rent in monthly installments is for the sole benefit and convenience of Lessee, then, in addition to any other remedies, the net present value of the entire balance of rent due hereunder as of the date of Lessor's notice, using the published prime rate then in effect, shall immediately become due and payable as liquidated damages. No actions taken by Lessor under this Section 20 shall terminate Lessor's obligation to pay rent under this Lease, as liquidated damages or otherwise. Any sums received by Lessor from or on behalf of Lessee at any time shall be applied first to offset any unpaid invoice or other payment due to Lessor and then to unpaid rent. Lessee shall also pay Lessor interest at the rate of 18 percent per annum on any past due payment. In addition to the foregoing, if after default, a debt collector or an attorney is employed or directed to collect or enforce the monetary or other obligations evidenced by this Lease or to assist Lessor in connection with its exercise of any right, power, privilege, or remedy referred to herein, the parties hereby agree that the Lessee shall pay promptly all costs incurred by Lessor with respect to collection or enforcement including reasonable attorney fees and court costs.

SECTION 21. WASTE OR NUISANCE. Lessee shall not commit or suffer to be committed any waste upon the Premises, and Lessee shall not use or permit the use of any medium that might constitute a nuisance.

SECTION 22. NOTICE. Any notice from Lessor to Lessee relating to the Premises or this Lease shall be deemed duly served when served by constable, or delivered to Lessee by certified or registered mail, return receipt requested, postage prepaid, or by recognized courier service with a receipt therefor, addressed to Lessee at PO BOX 511

KINGSPORT, TN 37662, Attention: Daniel Duncan, B-75. Any notice from Lessee to Lessor relating to the Premises or this Lease shall be deemed duly served when served by constable, or delivered to Lessor by certified or registered mail, return receipt requested, postage prepaid, or by recognized courier service with a receipt therefor, addressed to Lessor at 225 W Center Street, Kingsport, Tennessee 37660, Attention: Lisa Winkle or designee, or at Lessor's last designated address. No oral notice or representation shall have any force or effect. Time is of the essence in the service of any notice.

SECTION 23. OCCUPANCY. If Lessee continues to occupy, control, or encumber all or any part of the Premises after termination of this Lease without the written permission of Lessor, Lessee shall be liable to Lessor for any and all loss, damages or expenses incurred by Lessor resulting from the continued occupancy by Lessee and Lessee shall be considered subject to immediate eviction.

SECTION 24. FIRE PREVENTION. Lessee agrees to use reasonable precaution against fire, to provide and maintain approved, labeled fire extinguishers, emergency lighting equipment and exit signs, and to complete any other modifications within the Premises as required or recommended by the Insurance Services Office (or successor organization), OSHA, the local fire department, insurer of Lessor or any similar entity.

SECTION 25. ENVIRONMENTAL MATTERS. The term "hazardous substances", as used herein shall mean pollutants, contaminants, toxic or hazardous wastes or any other substances the use and/or the removal of which is restricted, prohibited, or penalized by an "environment law", which term shall mean any federal, state or local law, ordinance, or other statute of a governmental authority relating to pollution or protection of the environment. Lessee hereby agrees that (a) no activity shall be conducted on the Premises that shall produce any hazardous substance; (b) the Premises shall not be used in any manner for the storage of any hazardous substances; (c) Lessee shall not install or place upon the Premises any underground or aboveground tanks of any type and shall not store, or allow the storage law, on the Premises any gasoline, oil, diesel fuel or other petroleum products; (d) Lessee shall not allow any surface or subsurface conditions to exist or come into existence that constitutes or with the passage of time may constitute a public or private nuisance; and (e) Lessee shall not permit any hazardous substances to be brought onto the Premises. If at any time during or after of the Initial Term or Renewal Term, the Premises are found to be in violation of any of the covenants set forth in this Section 24 due to acts or occurrences during the occupancy of Lessee, or caused by Lessee, then Lessee shall diligently institute proper and thorough cleanup and remediation procedures at Lessee's sole cost. Lessee agrees to indemnify and hold Lessor harmless from all claims, demands, actions, liabilities, costs and expenses (including Lessor's reasonable attorney fees), damages and obligations of any nature to the extent arising from or as a result of the use of

the Premises by Lessee. The foregoing indemnification and the responsibilities of Lessee shall survive the termination or expiration of this Lease. Lessee shall not use the Premises so as to interfere in any way with the use and enjoyment of other portions of the same or neighboring buildings by reason of odors, smoke, exhaust, smells, vibrations, noise, pets, accumulation of garbage or trash, vermin or other pests, or otherwise, and shall at its expense employ a professional pest control service if determined necessary by Lessor. Lessee agrees to maintain effective devices for preventing damage to plumbing and heating equipment from de-ionized water and chemicals which may be present at the Premises.

SECTION 26. SURRENDER. On or before the termination of this Lease, Lessee shall remove all of Lessee's goods and effects from the Premises, and shall deliver to Lessor actual and exclusive possession of the Premises and all keys and locks thereto, all fixtures, equipment and workstations of any type connected therewith, and all alterations, additions and improvements made to or upon the Premises, whether completed by Lessee, Lessor or others, including but not limited to any offices, window blinds, floor coverings, computer floors, plumbing and plumbing fixtures, heating, ventilating and air conditioning equipment, ductwork, exhaust fans, water coolers, security, surveillance and fire protection systems, telecommunications and data wiring, telephone equipment, air and gas distribution piping, compressors, hoists, cabinets, counters, shelving, signs, electrical work, including but not limited to lighting fixtures of any type, wiring, conduit, EMT, transformers, generators, distribution panels, bus ducts, raceways, outlets and disconnects, and furnishings and equipment which have been bolted, welded, nailed, screwed, glued or otherwise attached to any wall, floor, ceiling, roof, pavement or ground, or which have been directly wired or plumbed to any portion of any building or other system serving the Premises, including but not limited to water supply, drainage, venting or air or gas distribution systems. Notwithstanding the foregoing, it is understood that cabinets, sinks, removable floor covering, shelving and other equipment and furnishings provided by Lessee remain the personal property of Lessee as long as such items are removed upon termination of the Lease without damage to the Premises. Notwithstanding the foregoing, prior to termination of this Lease, Lessee shall, if requested by Lessor, remove or tag for future use any and all wiring and cabling installed and/or used by Lessee. Lessee shall deliver the Premises fully sanitized from any chemicals or other contaminants, broom clean, and in at least the same condition as they were at the commencement of the Lease or any prior lease between the parties for the Premises, or as they were modified during the Initial Term or Renewal Term with Lessor's written consent, reasonable wear and tear only excepted, and Lessee shall be deemed to be encumbering the Premises until it delivers the Premises to Lessor in the condition required under this Lease. Any of Lessee's property that remains in the Premises upon termination of the Lease shall be deemed abandoned and shall be disposed of as Lessor sees fit, with no liability to Lessee for loss or damage thereto, and at the sole risk of Lessee. Lessor may remove and store any such property at Lessee's expense; retain the same under Lessor's control; sell the same at public or private sale (without notice) and apply the net proceeds of such sale to the payment of any sum due hereunder; or destroy same. In no case shall the Premises be deemed surrendered to Lessor until the termination date provided herein or such other date as may be specified in a written agreement between the parties, notwithstanding the delivery of any keys to Lessor.

SECTION 27. HOLDING OVER. In the event Lessee occupies the Premises after the expiration or termination of this Lease with the consent of the Lessor, express or implied, such possession shall be considered to be a tenancy from month to month, terminable on 30 days advance written notice by either party. Lessee shall continue to pay all charges as provided in this Lease, and shall be bound by all of the other terms and conditions of this Lease as if it were still in full force and effect.

SECTION 28. LOSS AND DAMAGE TO LESSEE'S PROPERTY. Lessor shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part adjacent to the Premises or any part, or for any loss or damages resulting to the Lessee or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any damage or loss of property within the Premises from any cause whatsoever, except to the extent due to the negligence or willful misconduct of Lessor or Lessor's employees, agents, or representatives.

SECTION 29. NOTICE BY LESSEE. Lessee shall give immediate notice to Lessor in case of fire or accidents in the Premises or in the building on the Premises or of defects therein or in any fixtures or equipment.

SECTION 30. SUCCESSORS. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the parties, except that Lessor shall only be liable for obligations occurring while it is the owner of the Premises. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assignee has been approved by Lessor in writing as provided in Section 16 herein.

SECTION 31. GENERAL. The following shall apply to this Lease:

- (a) The invalidity or unenforceability of any clause or provision of this Lease shall not affect or render invalid or unenforceable any other clause or provision hereof;
- (b) Any action or proceeding arising out of the subject matter of this Lease shall be brought by Lessee within one year after the cause of action has occurred and only in a state court in Kingsport, Tennessee;
- (c) This Lease is made and delivered in the state of Tennessee, and shall be interpreted, construed, and enforced in accordance with the laws thereof;
- (d) This Lease is the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between the parties, superseding all prior oral and written agreements, representations, statements and negotiations relating in any way to the subject matter herein. This Lease may not be extended or amended except by written agreement signed by both parties, or as otherwise provided herein, and no other subsequent oral or written representation shall have any effect hereon;
- (e) Notwithstanding any other statements herein, Lessor makes no warranty, express or implied, concerning the suitability of the Premises for Lessee's intended use;
- (f) Lessee agrees that if Lessor does not deliver possession of the Premises as herein provided for any reason, Lessor shall not be liable for any damages to Lessee for such failure, but Lessor agrees to use reasonable efforts to deliver possession to Lessee at the earliest practical date. A proportionate abatement of rent, excluding the cost of any amortized improvements to the Premises, for such time as Lessee may be deprived of possession of the Premises shall be Lessee's sole remedy, except where a delay in delivery is caused in any way by Lessee;
- (g) Neither the submission of this Lease or any amendment hereof shall constitute a reservation of or option for the Premises, or an offer to lease, it being expressly understood and agreed that neither this Lease nor any amendment shall bind either party in any manner whatsoever unless and until it has been executed by both parties;
- (h) Subject to the provisions of Section 23, neither Lessor nor Lessee shall be liable for any special, incidental, indirect or consequential damages, including but not limited to lost profits or loss of business, arising out of or in any manner connected with performance or nonperformance under this Lease, even if any party has knowledge of the possibility of such damages;
- (i) The headings and captioned in this Lease are for convenience only and shall not be considered part of the terms hereof;
- (j) No restriction, condition or other endorsement by Lessee on any check, nor Lessor's deposit of any full or partial payment, shall bind Lessor in any way or limit Lessor's rights under this Lease;
- (k) Lessee shall conform to all rules and regulations now or hereafter made by Lessor for parking, for the care, use or alteration of the building, its facilities and approaches, and for the administration of this Lease, and shall not permit any employee or visitor to violate this or any other covenant or obligation of Lessee;
- (l) Lessee's covenants under this Lease shall be independent of Lessor's covenants, and Lessor's failure to perform any of its covenants under this Lease, including a covenant constituting a significant inducement to Lessee to enter into this lease, shall not excuse the payment of rent or any other charges by Lessee or allow Lessee to terminate this Lease; and
- (m) Lessor and Lessee hereby waive any and all rights to a jury trial in any proceeding in any way arising out of the subject matter of this Lease.

SECTION 32. WAIVERS, ETC. No consent or waiver, express or implied, by Lessee or Lessor to or of any breach of any covenant, condition, or duty of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If Lessee is several persons, corporations, or other legal entities, or a partnership, or some combination thereof, Lessee's obligations are joint and several. Unless repugnant to the context, "Lessor" and "Lessee" mean the person or persons, natural or corporate, named above as Lessor and as Lessee respectively, and their respective heirs, executors, administrators, successors and assigns.

SECTION 33. TIME. Time is of the essence in this Lease.

SECTION 34. SURVIVAL OF TERMS. Wherever in this Lease either Lessee or Lessor shall have agreed or promised to perform certain acts or otherwise where the context of this Lease would require such performance to occur after the termination or expiration of the Lease, then those agreements and covenants shall survive the termination or expiration of the Lease and continue to bind Lessee and Lessor.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease in duplicate originals.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the 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 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

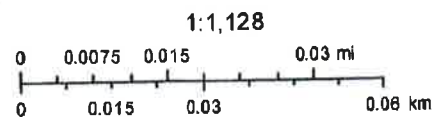
APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Sullivan County - Parcel: 061M A 026.00



May 17, 2017



TN Comptroller - OLG
TDOT
State of Tennessee, Comptroller of the Treasury, Office of Local Government
(OLG)
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AGENDA ACTION FORM

Approval of Amendments to Master Documents for the Flexible Spending Account and Section 125 Cafeteria Plan

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

Action Form No.: AF-50-2021
Work Session: February 15, 2021
First Reading: N/A

Final Adoption: February 16, 2021
Staff Work By: S. Baumgardner
Presentation By: G. DeCroes

Recommendation: Approve the Resolution.

Executive Summary:

The city desires to amend its Section 125 Cafeteria Plan to take advantage of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, which is designed to provide increased flexibility with respect to Grace Periods, Carry Over Periods and mid – year elections during the 2020 and 2021 calendar years related to health care flexible spending accounts (HCFSAs) and dependent care flexible spending accounts (DCFSAs)

Regarding the amendment we recommend:

Extension of Grace Periods

- No change – this extension does not affect the city since our plan runs the full calendar year.

Extension of Carry Over periods

- Allow participants in HCFSAs and DCFSAs to carry over any unused benefits from plan year ending in 2020 to the plan year ending 2021
- Allow participants in HCFSAs and DCFSAs to carry over any unused benefits from plan year ending 2021 to the plan year ending 2022

Extension of Election Options due to Covid-19 for plan year ending in 2021 only the City will allow participants in DCRSA and HCFSAs to make an election to modify prospectively the amount (but not in excess of any applicable dollar limitation) of the employees contributions as follows:

- Revoke and election to HCFSAs or DCFSAs
- Make new election in HCFSAs or DCFSAs
- Decrease or increase an existing election to HCFSAs or DCFSAs

Approval is request for the Mayor to sign the document.

Attachments:

1. Resolution

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

RESOLUTION NO. _____

A RESOLUTION AMENDING THE CITY OF KINGSPORT MASTER DOCUMENT FOR THE SECTION 125 CAFETERIA PLAN AND AMENDING A CITY OF KINGSPORT MASTER DOCUMENT FOR THE CITY OF KINGSPORT FLEXIBLE SPENDING ACCOUNT FOR THE MEDICAL REIMBURSEMENT AND DEPENDENT CARE REIMBURSEMENT AND AUTHORIZING THE MAYOR TO EXECUTE BOTH DOCUMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE ADOPTION

WHEREAS, effective January 1, 2006, the city adopted and restated the amended Section 125 Cafeteria Plan, which is an employee benefit insurance plan, which is the master description of benefits under which the employer's health and welfare plan is administered.

WHEREAS, staff recommends amending the Master Document for the Section 125 Cafeteria Plan, to add the Taxpayer Certainty and Disaster Tax Relief Act of 2020, which is designed to provide increased flexibility with respect to Grace Periods, Carry Over Periods and mid – year elections during the 2020 and 2021 calendar years related to health care flexible spending accounts (HCFSA) and dependent care flexible spending accounts (DCFSA); and

WHEREAS, staff also recommends amending the Master Document for the Flexible Spending Account (Medical Reimbursement & Dependent Care Reimbursement) insurance regarding an extension of carry over periods, and extension of election options due to Covid-19 for plan year ending 2021.

Now therefore,

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

SECTION I. That the amendment to the Master Document for the Section 125 Cafeteria Plan, a copy of which is attached hereto as Exhibit A, 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, the amendment to the Master Document for the Section 125 Cafeteria Plan and any and all documents necessary and proper to effectuate the purpose of the Plan.

SECTION III. That amending the Master Document for the Flexible Spending Account (Medical Reimbursement & Dependent Care Reimbursement), as shown in a copy of which is attached hereto as Exhibit B, is approved.

SECTION IV. 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, the Master Document for the Flexible Spending Account (Medical Reimbursement & Dependent Care Reimbursement) attached hereto as Exhibit B and any and all documents necessary and proper to effectuate the purpose of the document attached as Exhibit B.

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

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

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Execute an Information Sharing Agreement with BlueCross BlueShield of Tennessee Inc.; Springbuk, Inc., CareHere, LLC; Mark III and City of Kingsport

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

Action Form No.: AF- 53-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: DeCroes/Baumgardner
 Presentation By: DeCroes

Recommendation:

Approve the Resolution.

Executive Summary:

Currently the City of Kingsport's Healthcare program is administered by BlueCross BlueShield of Tennessee. The city also provides an onsite clinic administered by CareHere. CareHere contracts with a third party, Springbuk to provide claims analytics software which integrates healthcare data processed by the CareHere clinic and BlueCross BlueShield. The software provides a means to evaluate all healthcare related claims/costs regardless of the provider and is used for:

- Claims Utilization Analysis
- Benchmarking
- Modeling
- Population Health Management
- Case Management
- And others as permitted by Federal and Tennessee law

Attached is an agreement to be signed by BlueCross BlueShield, CareHere Mark III (the city Healthcare consultant) and the City of Kingsport that protects confidential claims information and authorizes parties to provide the data to Springbuk. This sharing of data allows Springbuk to provide reporting that enables the city to better understand the health of the employee population and the care they are receiving.

Springbuk has been affiliated with CareHere since April 2018.

Attachments:

1. Resolution

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AN INFORMATION SHARING AGREEMENT WITH BLUECROSS BLUESHIELD OF TENNESSEE, INC., SPRINGBUK, INC., CAREHERE, LLC., AND MARK III, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the City of Kingsport's Healthcare program is administered by BlueCross BlueShield of Tennessee, Inc.; and

WHEREAS, the city also provides an onsite clinic administered by CareHere, LLC who contracts with a third party, Springbuk, Inc. to provide claims analytics software which integrates healthcare data processed by the CareHere, LLC clinic and BlueCross BlueShield of Tennessee, Inc.; and

WHEREAS, the software provides a means to evaluate all healthcare related claims/costs regardless of the provider and is used for Claims Utilization Analysis, Benchmarking, Modeling, Population Health Management, Case Management, and other uses as permitted by Federal and Tennessee law; and

WHEREAS, the Information Sharing Agreement will include BlueCross BlueShield of Tennessee, Inc., Springbuk, Inc., CareHere, LLC, Mark III, (the city Healthcare consultant), and the city of Kingsport to protect confidential claims information and to authorize the parties to provide the data to Springbuk, Inc.; and

WHEREAS, the agreement will allow Springbuk, Inc. to provide reporting that enables the city to better understand the health of the employee population and the care they are receiving.

Now therefore,

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

SECTION I. That an Information Sharing Agreement with BlueCross BlueShield of Tennessee, Inc., Springbuk, Inc., CareHere, LLC., and Mark III is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Information Sharing Agreement with BlueCross BlueShield of Tennessee, Inc., Springbuk, Inc., CareHere, LLC., and Mark III, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

INFORMATION SHARING AGREEMENT

This Information Sharing Agreement ("Agreement") is between BlueCross BlueShield of Tennessee, Inc. ("BlueCross"), Springbuk, Inc. ("Vendor"), CareHere, LLC ("Onsite Clinic"), Mark III ("Broker"), and City of Kingsport ("Employer"), acting in its capacity as a Plan Administrator for an employee welfare benefit plan, as defined in Section 3 of the Employee Retirement Income Security Act of 1974, 29 U.S.C.

§§ 1101, *et seq.* ("Plan"). This Agreement is effective on the latest date in the signature box below (its "Effective Date"). Vendor, Broker, and Onsite Clinic shall be referred to collectively as "Receiving Party".

BlueCross contracts with employer groups to provide administrative services to employee welfare benefit plans. Onsite Clinic contracts directly with Employer for the purpose of providing the following services: management of on-site employer-sponsored health centers, (including a provider's use in

clinic patient care), claims utilization analysis, benchmarking, predictive modeling, population health management, care coordination and those authorized uses as permitted in 45 CFR 164.506 ("Purpose"). Onsite Clinic subcontracts Vendor for use of Vendor's claims analytics software in furtherance of the Purpose.

Employer, on behalf of the Plan, has requested that BlueCross give Receiving Party access to certain information, which will contain Confidential Information as defined below. Receiving Party shall limit access to Confidential Information to its employees who have a need to know the Confidential Information in order to fulfill the Purpose. Receiving Party shall be responsible for any unauthorized use, disclosure, or breach of this Agreement by its employees.

In addition to the requirements contained in this Agreement, Receiving Party specifically agrees that the Confidential Information shared pursuant to this Agreement will not be shared with any of BlueCross' competitors or their subsidiaries or affiliates, including but not limited to, Cigna, United Healthcare, Aetna and Oscar Health.

BlueCross will provide such Confidential Information under the following terms and conditions:

1. Confidential Information. "Confidential Information" means, collectively, this Agreement and all information or materials (whether tangible or intangible, whether patient identifiable or de-identified, whether claim level or aggregate) which are provided to Receiving Party pursuant to the terms of this Agreement. Confidential Information includes, but is not limited to, patient identifiable health or claim information, health information or claim information that is not patient identifiable or group identifiable, provider identifiable information, provider tax identification numbers, actuarial data and reports, reimbursement rates, allowed amounts, fee schedules, reimbursement or payment methodologies, provider manuals, specifications, documentation, working papers, benefit design concepts, customer information, research and technical information, processes, procedures and formulae, pharmacy benefit-related data, including maximum allowable cost (MAC) information and/or other allowed amounts information, specialty drug pricing and SAS70 reports, SSAE16 reports and/or similar reports, and information obtained from and/or about the Blue Cross and Blue Shield Association and its programs. Any Confidential Information provided by a BlueCross vendor shall be subject to the protections of this Agreement.

Information that is available to the general public (other than as a result of a disclosure by Receiving Party), or information which becomes available to Receiving Party from a source other than BlueCross, its affiliates, or subsidiaries (provided that such source is not bound by a confidentiality agreement or other obligation of secrecy) shall not be considered to be Confidential Information.

The Agreement and any documents or material obtained by the City may be subject to disclosure in whole or in part pursuant to the Tennessee Open Records Act, set out in Tennessee Code Annotated §10-7-503 et seq., without regard to any provision contained in the Agreement declaring information confidential. The City must, upon proper request, release public documents and records as defined by Tennessee Code Annotated §10-7-503 et seq., including this Agreement and all records created and maintained related to the Agreement without the requirement to disclose such request to BlueCross or providing BlueCross with the time to obtain a protective order.

2. General Restrictions and Non-Disclosure. Confidential Information shall not be:

- 2.1. used or disclosed for any reason other than the stated Purpose;
- 2.2. used or released in any manner, method or format that could be construed as competing with BlueCross or a service provided by BlueCross for any reason other than the stated Purpose;
- 2.3. reverse engineered, reverse assembled, disassembled, decompiled, deaggregated (if provided in an aggregate form), or otherwise used in any manner that attempts to discover proprietary information not expressly provided pursuant to this Agreement;
- 2.4. disclosed in any manner or method, including but not limited to, verbal disclosure to any individual or entity not a party to this Agreement for any reason other than the stated Purpose;
- 2.5. resold or otherwise commercialized for any reason other than the stated Purpose;
- 2.6. used in support of a consumer engagement tool (health cost transparency tool, quality tool, etc.) for any reason other than the stated Purpose; or
- 2.7. combined with any other information unrelated to Plan except as necessary to perform the Purpose, and as long as the aggregated or de-identified Confidential Information is restricted to member, administrative, and/or clinical data without any ability to identify providers or derive provider discounts.

3. Enforcement.

3.1. Receiving Party agrees to take all appropriate steps to enforce the terms of this Agreement. Receiving Party shall promptly and fully advise BlueCross of all information known concerning unauthorized use or disclosure in the event Receiving Party becomes aware of any such use or disclosure by any person or entity.

3.2. It is not a breach of the requirements of this Agreement if Receiving Party releases Confidential Information pursuant to a legal requirement (e.g., a properly executed subpoena);

however, Receiving Party shall, as soon as possible, but in a time and manner that does not prejudice BlueCross' ability to prevent the release of the Confidential Information, provide BlueCross notice of such request, unless prevented from such notice by law or applicable regulation.

4. Indemnification.

Receiving Party agrees to defend or settle, and/or hold harmless and indemnify BlueCross, as well as its officers, agents, and employees, from all claims, losses, or suits that may result from:

(1) BlueCross' disclosure of Confidential Information to Receiving Party; (2) Receiving Party's unauthorized use of any Confidential Information; or (3) Receiving Party's breach of this Agreement. Receiving Party shall not be held liable for Employer's actions.

5. Termination. This Agreement will terminate at the earlier of: (1) upon termination of the Administrative Services Agreement between BlueCross and Employer, (2) upon BlueCross' receipt of written notice that the need to exchange information with any party to this Agreement has ended, or (3) upon receipt of written notice that there has been unauthorized use or disclosure of Confidential Information. Additionally, any party may terminate this Agreement at its convenience (or without cause), by providing at least thirty (30) days prior written notice to the other parties. Receiving Party shall notify BlueCross, in writing, immediately upon termination of the arrangement with Employer that necessitated the information exchange.

6. Destruction of Confidential Information. At the termination of this Agreement, or as agreed by the parties hereto, Receiving Party shall destroy or return to BlueCross all Confidential Information, including any de-identified Confidential Information, and provide written verification to BlueCross that it has done so. If necessary, Receiving Party may retain one copy of Confidential Information to comply with any mandatory requirements for its work product documentation or for computer back-up archival purposes. Any such retained copy shall not be used by Receiving Party after termination of this Agreement, shall be kept confidential pursuant to the terms of this Agreement, and shall be disposed of pursuant to standard record retention policies. Notwithstanding the foregoing, if Receiving Party reasonably determines that such return or destruction is not feasible, it shall extend the protections of this Agreement to such information, including any de-identified Confidential Information, and limit further uses and disclosures to those purposes that make the return or destruction of the data infeasible. In no event shall the information retained by Receiving Party, including any de-identified Confidential Information, be used for, or shared with, any third party.

7. Applicable Law. The validity, performance and interpretation of this Agreement shall be construed in accordance with applicable federal and Tennessee law, without regard to conflicts of law requirements.

8. Trademarks. The parties shall not use or distribute any representation of the trade names, trademarks, or service marks of BlueCross or the Blue Cross and Blue Shield Association without the prior written approval of BlueCross.

9. Representations and Warranties.

9.1. Employer represents and warrants that: (a) it has the authority to authorize the release of Confidential Information, including any PHI contained therein, (b) the transfer is lawful under state and federal law, and (c) all necessary agreements and plan documents are in place to comply with the requirements of HIPAA. If required by law, as determined by Employer, Employer represents and warrants that it has obtained or will obtain, a valid, written authorization or consent, in each case pursuant to 45 CFR 164.508 of the HIPAA Privacy Rule and/or state law, as applicable, from each individual whose PHI is disclosed to Receiving Party to be used as set forth herein.

9.2. Employer and Receiving Party represent, warrant, and attest that Confidential Information being disclosed pursuant to Employer's request is the minimum amount of information necessary to achieve the Purpose.

10. Standard of Care.

10.1. Receiving Party shall maintain Confidential Information in strict confidence and protect Confidential Information with the same degree of care that Receiving Party exercises with its own Confidential Information, but in no event less than a reasonable degree of care.

10.2. Receiving Party shall not remove or permit to be removed from Confidential Information any notice placed thereon by BlueCross or a third party indicating the confidential nature of the Confidential Information.

11. Survival. The indemnification rights and duties, the destruction obligation, the obligation of confidentiality, and the status of information as Confidential Information as set forth in this Agreement shall continue in effect notwithstanding any termination or rescission of this Agreement.

12. Audit. BlueCross and/or the Blue Cross and Blue Shield Association may audit Receiving Party to confirm compliance with the terms of this Agreement. BlueCross will conduct any audit by providing Receiving Party prior written notice of such audit, and will perform any audit during Receiving Party's normal business hours.

13. Ownership Change. Receiving Party shall notify BlueCross in writing as soon as reasonably

practicable but not later than the date that a change of ownership occurs. In the event of a change in ownership, BlueCross has the right to terminate this Agreement upon 10 days advance notice.

14. Assignment. A party shall not assign its rights or obligations under this Agreement without the prior written consent of all parties.

15. Payment Card Industry Data Security Standards. If Receiving Party accepts or maintains account information, Receiving Party acknowledges that it is responsible for securing cardholder data pursuant to the Payment Card Industry Data Security Standards. "Account Information" and "Cardholder Data" refer to any information contained on a credit or debit card containing a logo owned by MasterCard, Visa, American Express, or Discover.

16. Other Forms. The following shall have the same legal effect as an original: facsimile copy, imaged copy, and/or an electronic copy.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

SECTION IV. That the 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 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Rejecting the Bids for the Purchase of Commercial Finishing Mowers

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

Action Form No.: AF-63-2021
 Work Session: February 15, 2021
 First Reading: N/A

Final Adoption: February 16, 2021
 Staff Work By: Committee
 Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened January 27, 2021 for the purchase of 60" and 72" Zero Turn Finishing Mowers. The advertisement for the Invitation to Bid was published in the Kingsport Times News on January 10, 2021 and placed on our website for 17 calendar days.

It is the recommendation of the committee to reject the bids due to no one meeting the specifications and the improper unit price being stated on the bid form by the closest bidder to the specifications.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo

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

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS RELATED TO THE
PURCHASE OF COMMERCIAL FINISHING MOWERS

WHEREAS, bids were opened January 27, 2021, for the purchase of 60 inch and 72 inch zero turn finishing mowers; and

WHEREAS, no bids met the specifications and therefore the city wants to reject all bids;

Now therefore,

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

SECTION I. That all bids opened January 27, 2021, for the purchase of 60 inch and 72 inch zero turn finishing mowers are rejected.

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

ADOPTED this the 16th day of February, 2021.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES BID OPENING

January 27, 2021

4:00 P.M.

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

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

The Procurement Manager opened with the following bids:

60" ZERO TURN FINISHING MOWER						
Vendor:	Qty.:	Unit Cost:	Trade-In # 1897:	Trade-In # 2075:	Delivery Time:	Model:
Meade Tractor*	2	\$10,100.00	\$2,300.00	\$2,300.00	35	John Deere 2950M
Kubota of Kingsport	2	\$18,151.94	\$1,000.00	\$2,000.00	30	Kubota Z781KWTI-60
Bobcat of the Mountain Empire	2	\$9,794.95	\$2,500.00	\$2,500.00	30	Gravely Pro-Turn 260
Bobact of the Mountain Empire	2	\$9,975.00	\$2,500.00	\$2,500.00	75	Bobcat ZT6161
*Note: Mark over present on bid.						

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

MINUTES BID OPENING

January 27, 2021

4:00 P.M.

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

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

The Procurement Manager opened with the following bids:

72" ZERO TURN FINISHING MOWER					
Vendor:	Qty.:	Unit Cost:	Trade-In # 2006:	Delivery Time:	Model:
Meade Tractor	1	\$10,600.00	\$2,300.00	35	John Deere 2950M
Bobcat of the Mountain Empire	1	\$12,425.00	\$1,000.00	75	Bobcat ZT7072
Bobcat of the Mountain Empire	1	\$10,584.95	\$1,000.00	30	Gravely Pro-Turn 272
Moridge Manufacturing Inc.	1	\$10,827.00		60	Grasshopper 335B/72

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

Memorandum

February 8, 2021

To: Nikisha Eichmann, Assistant Procurement Manager

From: Lewis A. Bausell, Landscape Specialist

Subject: Recommendation of Rejection of Bid for Mowers

After reviewing the bids for the 60 inch and 72 inch Mowers, it is our recommendation that both be rejected due to the following:

60 inch Mower(s)

- Meade Tractor's Bid – Cutter deck is not drive shaft driven
- Kubota of Kingsport's Bid – Unit cost price on bid form was incorrectly stated and engine horsepower did not meet minimum specifications
- Bobcat of the Mountain Empire's Bids – Cutter deck is not shaft driven, engine and instrument panel did not meet minimum specifications

72 inch Mower(s)

- Meade Tractor's Bid – Cutter deck is not drive shaft driven
- Bobcat of the Mountain Empire's Bids – Cutter deck is not shaft driven, engine and instrument panel did not meet minimum specifications
- Moridge Manufacturing Inc.'s Bid - Engine and instrument panel did not meet minimum specifications

If there are any questions, please contact me at your convenience. Thanks.

Cc: Steve Hightower
Tim Elsea