



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, August 22, 2022, 4:30 p.m.
City Hall, 415 Broad Street, Boardroom**

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Vice Mayor Colette George
Alderman Betsy Cooper
Alderman Darrell Duncan

Alderman Paul W. Montgomery
Alderman Tommy Olterman
Alderman James Phillips

Leadership Team

Chris McCartt, City Manager
Michael Borders, Assistant City Manager
Bart Rowlett, City Attorney
Lisa Winkle, City Recorder/Treasurer
John Rose, Economic Development Director
Adrienne Batara, Public Relations Director
Floyd Bailey, Chief Information Officer

Ryan McReynolds, Deputy City Manager
Jessica Harmon, Assistant City Manager
Tyra Copas, Human Resources Director
Dale Phipps, Police Chief
John Morris, Budget Director
Scott Boyd, Fire Chief

1. Call to Order
2. Roll Call
3. Move to Kingsport Update - Jeff Fleming
4. Review of items on August 23, 2022 Business Meeting Agenda
5. Adjourn

Next Work Session, Monday, September 12, 2022, 4:30 p.m.

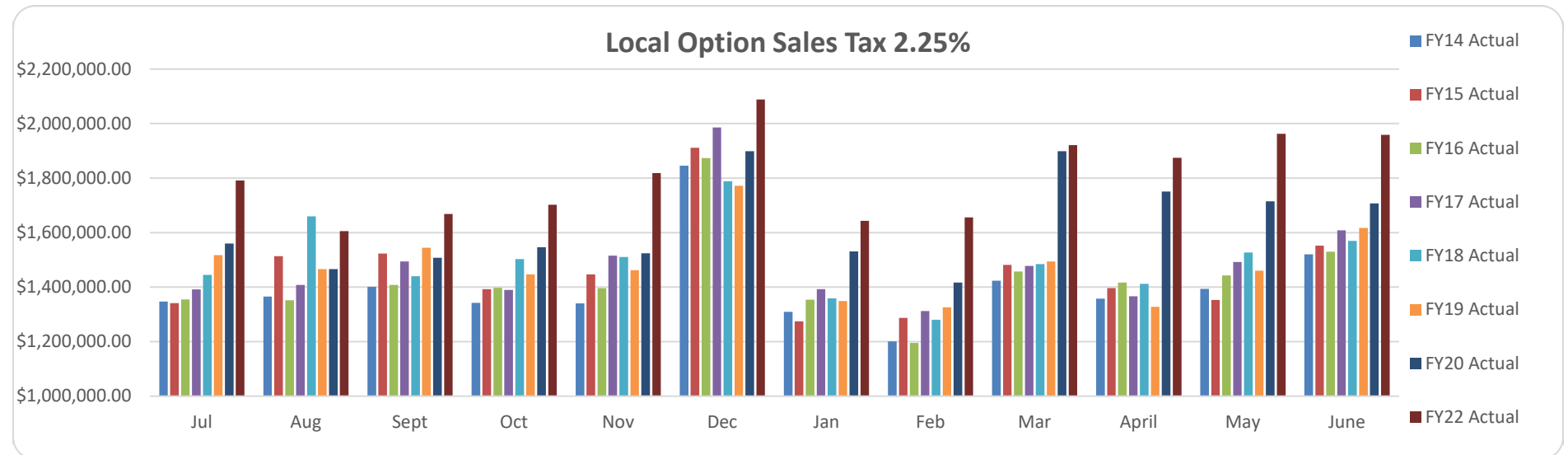
Local Option Sales Tax 2.25%

June 2022

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY22 Original Budget	Over/Under FY22 Budget	% Over/Under FY22 Budget	Over/Under FY21 Actual	% Over/Under FY21 Actual	FY23 Approved Budget
July	\$1,444,727.00	\$1,517,710.01	\$1,560,032.54	\$1,791,460.48	\$1,570,000.00	\$221,460.48	14.11%	\$231,427.94	14.83%	\$1,769,500.00
August	\$1,660,189.01	\$1,466,245.18	\$1,466,134.09	\$1,605,188.64	\$1,470,000.00	\$135,188.64	9.20%	\$139,054.55	9.48%	\$1,621,500.00
September	\$1,440,056.00	\$1,544,461.94	\$1,508,122.79	\$1,668,359.84	\$1,510,000.00	\$158,359.84	10.49%	\$160,237.05	10.62%	\$1,675,100.00
October	\$1,503,032.00	\$1,447,066.95	\$1,546,557.57	\$1,702,507.26	\$1,550,000.00	\$152,507.26	9.84%	\$155,949.69	10.08%	\$1,714,600.00
November	\$1,510,894.40	\$1,462,498.19	\$1,524,485.85	\$1,818,738.26	\$1,530,000.00	\$288,738.26	18.87%	\$294,252.41	19.30%	\$1,760,200.00
December	\$1,788,766.43	\$1,772,436.98	\$1,898,886.33	\$2,088,757.00	\$1,900,000.00	\$188,757.00	9.93%	\$189,870.68	10.00%	\$2,102,600.00
January	\$1,358,902.17	\$1,348,871.68	\$1,530,774.86	\$1,643,547.05	\$1,420,000.00	\$223,547.05	15.74%	\$112,772.19	7.37%	\$1,611,800.00
February	\$1,280,154.07	\$1,326,132.88	\$1,416,746.27	\$1,656,365.50	\$1,380,000.00	\$276,365.50	20.03%	\$239,619.23	16.91%	\$1,595,400.00
March	\$1,484,980.00	\$1,493,996.41	\$1,898,355.80	\$1,920,619.39	\$1,590,000.00	\$330,619.39	20.79%	\$22,263.59	1.17%	\$1,844,200.00
April	\$1,412,517.03	\$1,327,489.66	\$1,750,965.28	\$1,874,537.84	\$1,530,000.00	\$344,537.84	22.52%	\$123,572.56	7.06%	\$1,787,500.00
May	\$1,527,469.00	\$1,460,028.28	\$1,715,204.91	\$1,962,580.55	\$1,590,000.00	\$372,580.55	23.43%	\$247,375.64	14.42%	\$1,864,800.00
June	\$1,571,086.24	\$1,617,153.10	\$1,707,660.22	\$1,959,190.92	\$1,660,000.00	\$299,190.92	18.02%	\$251,530.70	14.73%	\$1,902,800.00
Total	\$17,982,773.35	\$17,784,091.26	\$19,523,926.50	\$21,691,852.73	\$18,700,000.00	\$2,991,852.73	16.08%	\$2,167,926.23	11.10%	\$21,250,000.00

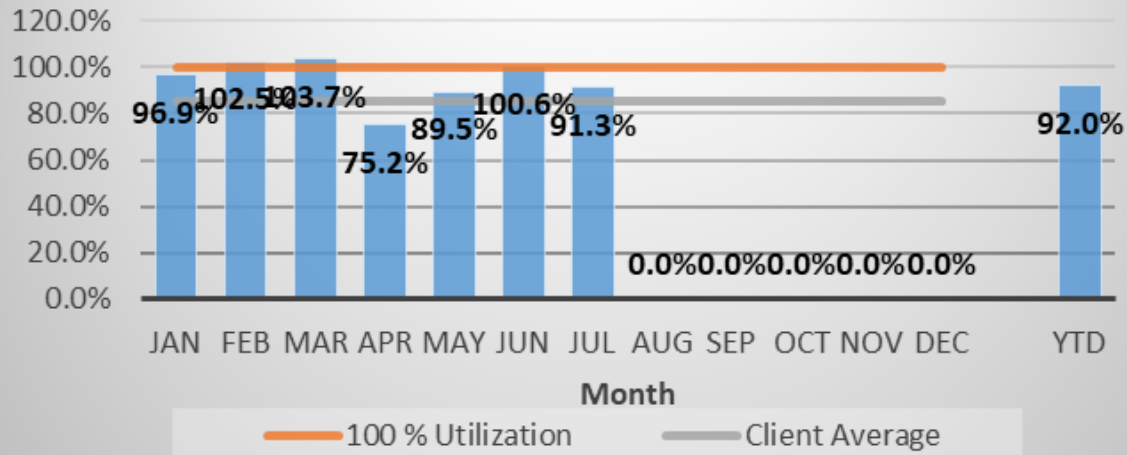
Inc/Dec \$148,688.47 **(\$198,682.09)** \$1,739,835.24 \$2,167,926.23
Inc/Dec % 0.83% -1.10% 9.78% 11.10%

(\$441,852.73)
 -2.04%

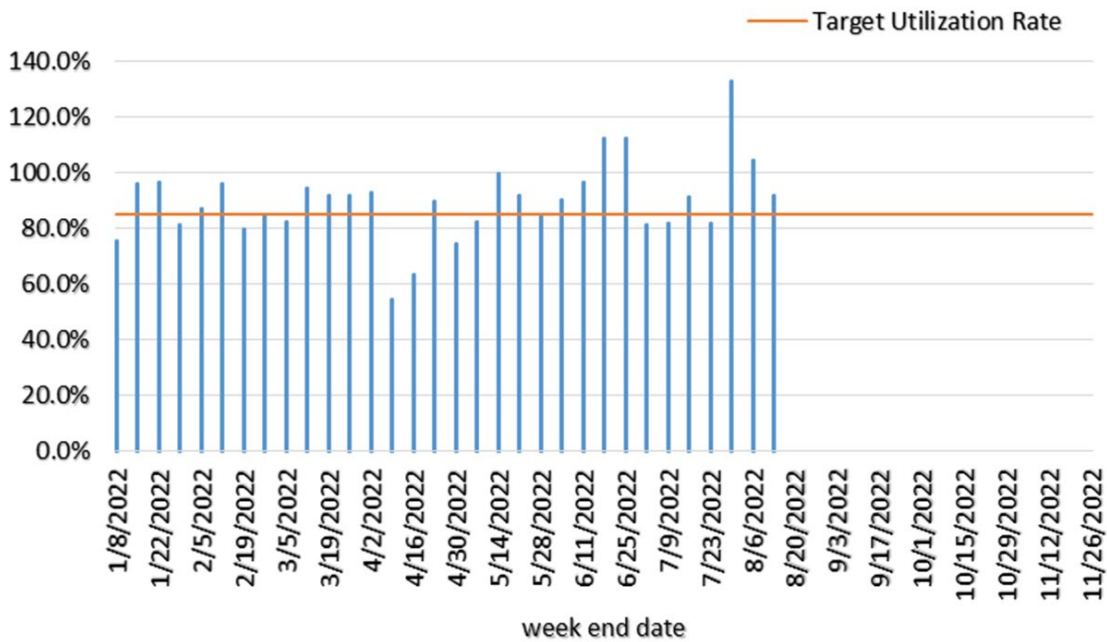


PREMISE HEALTH – CLINIC UTILIZATION REPORT

Employee Wellness Center 2022 Utilization Rate



Employee Wellness Center 2022 Weekly Utilization Rate



City of Kingsport

August 23, 2022

Project Status in Pictures

1 Paving Preservation Project

The preservation project is wrapping up in west Lynn Garden area.

3 Civic Auditorium Ramp

Concrete work for the sidewalk and bottom of loading area will be complete by the end of the month.

5 KATS - Garage

Concrete will be placed tomorrow.

2 Riverbend Park

Clearing, grubbing and mass grading complete. Crew is hammering rock and getting trail to final grade.

4 Paving Preservation Project

For more information on paving in Kingsport, visit www.pavekingsport.com.



Status Updates on Active Projects sorted by Cost

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	Current Status
\$17,610,480.00	Michael Thompson	Main Street Rebuild	The reconstruction of Main Street from Sullivan Street to Clay Street. [City & MTPO Funded]	7/1/2024	BMA approved awarding to Summers-Taylor and the contract documents have been executed. Another public hearing was held June 28th to re-engage the owners, tenants and public.
\$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 expects to have a Public Hearing Summer 2022.
\$4,000,000.00	Michael Thompson	Brickyard Park Bicycle-Pedestrian Bridge	Bicycle-Pedestrian bridge over the CSX Railroad at Centennial Park connecting downtown Kingsport to the Brickyard Park Development. Design funded 80% Fed./ 20% Local via STB Grant and Construction is funded 75% Fed./ 25% Local via TA Grant.	12/31/2024	The TDOT requested addition of an historical/architectural assessment has been completed and submitted 4-21-22 to TDOT for review by the Cultural Resources Section.
\$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	Received NTP with Design Phase on 6/13/22. City has paid 20% match. Mattern & Craig has been given approval to proceed with Design Phase.
\$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	11/1/2022	Notice to Proceed with Right-of-Way Phase issued 7/28/2022.
\$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.	12/31/2022	Architect is working on plans and having discussions with staff.
\$1,200,000.00	Chad Austin	Washington Co Water Task Force - waterline extension	Washington County is funding waterline extensions throughout their county. This project will provide upgraded or new service to residents along Double Springs Rd, Deakins Rd, and Hunt Rd, all in the Fall Branch area.	8/31/2022	Engineering division is surveying project area
\$1,049,660.00	Michael Borders	MeadowView Roof Replacement	Partial Re-Roofing of the MeadowView Conference Resort & Convention Center		Bid has been awarded to Genesis Roofing Co., Inc. and the contract has been executed. Currently scheduling pre construction meeting. Estimated completion date is 215 days after construction begins.
\$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	Design Underway.
\$952,601.98	Kitty Frazier	Riverbend Park - Phase 1		11/23/2022	Clearing, grubbing, and mass grading complete on the main trail. Current work includes hammering rock and getting trail to final grade.

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	CurrentStatus
\$850,000.00	Chad Austin	ETSU @ Valleybrook Farm sewer extension	Approximately 5,000 ft extension of sewer to Valleybrook Farm facility owned by ETSU. Project is funded through grant from Appalachian Regional Commission and Washington County.	12/31/2022	Easements acquired.
\$690,000.00	David Frye/Schools	JFJ Stadium Lighting Improvements		7/30/2022	Project is complete except some punch list items. Musco will be performing the light startup on July 14.
\$393,285.00	Tom Hensley	Wwtp Digester Cleaning	Two Wastewater plant 75' digesters were last cleaned in 2004. Grit and solids have built up in these two tanks and causing problems pumping sludge from tanks to the dewatering centrifuges.		6/21/22 - AF to BMA to award contract to low bidder, Merrell Bros. Inc
\$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	6/30/2024	Scheduled for construction in FY24
	Borders, Michael	Collar Replacement	Collar replacement for all 18 holes at Cattails at Meadowview		Project was re-advertized for bid on August 14. Bids will be opened on September 8.
	Chris Campbell	KATS Maintenance Facility Phase 2	Bus garage and maintenance building with wash bay and storage. (FTA Grant & City Funded)		Underground electrical conduit tie-in's continuing; Water meter vault installed.
	Chris Markley	Archives Move and Demo	Move Archives into the new city hall and demo existing Archives space, shelving, and cage at the Library.	9/22/2022	Archive furniture installed.
	Kitty Frazier	Bike Park at Brickyard	New Bike Park in the vicinity of the new Skate Park.		Project design has been submitted by Barge for internal city review.
	Megan Krager	BMP Nature Center Balcony	Renovation of the Nature Center Balcony at Bays Mountain Park		Project was put out to bid on August 7, 2022. Bid openings are August 31, 2022 at 4pm.
	Michael Borders	Bays Mountain Park Amphitheater	Construction of new amphitheater at Bays Mountain		Design is currently under review by design project estimators for final construction cost estimates.

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Revised 8/22/22

AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

**Tuesday, August 23, 2022, 7:00 p.m.
City Hall, 415 Broad Street, Boardroom**

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Vice Mayor Colette George
Alderman Betsy Cooper
Alderman Darrell Duncan

Alderman Paul W. Montgomery
Alderman Tommy Olterman
Alderman James Phillips

City Administration

Chris McCartt, City Manager
Michael Borders, Assistant City Manager
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John Morris, Budget Director
Adrienne Batara, Public Relations Director
Floyd Bailey, Chief Information Officer

Ryan McReynolds, Deputy City Manager
Jessica Harmon, Assistant City Manager
Dale Phipps, Police Chief
Scott Boyd, Fire Chief
Tyra Copas, Human Resources Director
John Rose, Economic Development Director

I. CALL TO ORDER

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

II.B INVOCATION – Pastor Donna Hestor, Kingsley United Methodist Church

III.A ROLL CALL

IV.A RECOGNITIONS & PRESENTATIONS

1. Kingsport Axmen – 2022 Appalachian League Champions – Alderman Olterman (Logan Davis)
2. Keep Kingsport Beautiful Beautification Award – Sharon Hayes and Neil Brown
3. Citizen Commendation Certificate from the Kingsport Police Department – Chief Phipps (Robert Medley, Paul Fine, Wyatt Richard)

IV.B. APPOINTMENTS

1. Appointment to the Bays Mountain Park Commission (AF:239-2022) (Mayor Shull)
 - Appointment

2. Appointments to the Senior Center Advisory Council (AF:247-2022) (Mayor Shull)
 - Appointment

V. APPROVAL OF MINUTES

1. Work Session – August 1, 2022
2. Business Meeting – August 2, 2022

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

1. Public Hearing and Consideration of a Resolution to Annex and Adopt a Plan of Services for the Browder Road Annexation and Consideration of an Ordinance to Amend Zoning (AF:237-2022) (Ken Weems)
 - Hold public hearing
 - Resolution – Annexation
 - Ordinance – Zoning – First Reading
 - Resolution – Plan of Service

COMMENT

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

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Consideration of a Budget Adjustment Ordinance for Various Funds in FY23 (AF:241-2022) (Chris McCartt)
 - Ordinance – First Reading
2. An Ordinance to Amend the FY 2023 the General Purpose School Fund Budget (AF:248-2022) (David Frye)
 - Ordinance – First Reading
3. An Ordinance to Amend the FY 2023 the School Special Projects Fund Budget (AF:249-2022) (David Frye)
 - Ordinance – First Reading
4. An Ordinance Amending Sections 155 and 157 of Article IV, Chapter 66 of the Kingsport Code of Ordinances Regarding the Composition of the Bays Mountain Park Commission (AF:254-2022) (Michael Borders)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Consideration of a Budget Adjustment Ordinance for Various Funds in FY22 (AF:229-2022) (Chris McCartt)
 - Ordinance – Second Reading and Final Adoption

2. Consideration of a Budget Adjustment Ordinance for Various Funds in FY23 (AF:230-2022) (Chris McCartt)

- Ordinance – Second Reading and Final Adoption

D. OTHER BUSINESS

1. A Resolution Authorizing the Purchase of One (1) T870 Bobcat Track Loader Utilizing Sourcewell Cooperative Purchasing Agreement (AF:240-2022) (Ryan McReynolds/Steve Leonard)
 - Resolution
2. A Resolution to Purchase Ammunition for the Kingsport Police Department from the Tennessee State Contract (AF:246-2022) (Chief Phipps)
 - Resolution
3. A Resolution Awarding the Bid for the Jefferson Elementary School HVAC Project to S.B. White Company, Inc. (AF:252-2022) (David Frye)
 - Resolution
4. A Resolution to Approve a Facilities Use Agreement with TNT Sportsplex for Kingsport City Schools and Authorizing the Mayor to Execute the Agreement (AF:244-2022) (David Frye)
 - Resolution
5. A Resolution of an Amendment to the Central Technologies Agreement for the KCS Surveillance Camera Project (AF:243-2022) (David Frye)
 - Resolution
6. A Resolution Approving an Agreement with Environmental Systems Research Institute (ESRI) for GIS Mapping Software (AF:250-2022) (Ryan McReynolds)
 - Resolution
7. A Resolution Awarding the Bid for the Purchase of Road Salt for FY23 (AF:251-2022) (Ryan McReynolds)
 - Resolution
8. A Resolution Approving a Tax Increment Financing Amendment for the Downtown Kingsport Redevelopment District – Brickyard Village (AF:256-2022) (Chris McCartt)
 - Resolution
9. A Resolution Approving a Tax Increment Financing Agreement Amendment for the Downtown Kingsport Redevelopment District – Centennial Project (AF:257-2022) (Chris McCartt)
 - Resolution
10. A Resolution Authorizing the City Manager to Purchase Six Trane HVAC Units Utilizing the OMNIA Partners Trane Contract (AF:260-2022) (David Frye)
 - Resolution

Resolution reformatted
8/22/22

Added 8/22/22

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. A Resolution to Approve the Kingsport Regional Planning Commission's Delegation of Authority to City Planning Staff for Certain Final Subdivision Plat Approval (AF:236-2022) (Ken Weems)
 - Resolution
2. Approve Submittal of a BlueCross BlueShield Healthy Place Grant Application (AF:233-2022) (Michael Borders)
 - Resolution
3. A Resolution to Enter into a Lease with the Kingsport Theatre Guild (AF:255-2022) (Michael Borders)
 - Resolution
4. A Resolution to Rescind the Award of Mowing & Trimming of Various Locations to Phillips Landscaping (AF:245-2022) (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



AGENDA ACTION FORM

Appointment to the Bays Mountain Park Commission

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

Action Form No.: AF-239-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Michael Borders
 Presentation By: Mayor Shull

Recommendation:

Approve appointment.

Executive Summary:

It is recommended to appoint Colette George to the Bays Mountain Park Commission for two years.

City Code requires the Bays Mountain Park Commission be composed of seven members, at least five of whom shall be residents of the city. In addition, the Director of Bays Mountain Park (Megan Krager) and the Bays Mountain Park Assoc. President (Mike Behal) shall be ex officio members.

Terms are three years with no term limit.

If approved by the Board of Mayor and Aldermen the recommended table reflects term dates.

Current Commission:			
Member	Term Expires	No. of Terms	Residing Neighborhood
David Fox	1/31/24	2	KPT Resident
Mary Steadman	1/31/24	4	At-large
Jeremiah Lounds	1/31/24	1	KPT Resident
Russ Brogden	7/31/24	3	KPT Resident
Robin Kerkhoff	7/31/24	4	KPT Resident
Woody Reeves	7/31/24	2	KPT Resident
Colette George	Term of Ofc.	N/A	County Comm. Rep.

Recommended Commission:			
Member	Term Expires	No. of Terms	Residing Neighborhood
David Fox	1/31/24	2	KPT Resident
Mary Steadman	1/31/24	4	At-large
Jeremiah Lounds	1/31/24	1	KPT Resident
Russ Brogden	7/31/24	3	KPT Resident
Robin Kerkhoff	7/31/24	4	KPT Resident
Woody Reeves	7/31/24	2	KPT Resident
Colette George	7/31/24	1	KPT Resident

Attachments:

None

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



AGENDA ACTION FORM

Appointments to the Senior Center Advisory Council

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

Action Form No.: AF-247-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Shirley Buchanan
 Presentation By: Mayor Shull

Recommendation:

Approve appointments.

Executive Summary:

It is recommended to reappoint/appoint the following to the Sr. Center Advisory Council:

- Reappoint
 - Pat Breeding (Council is requesting an exception to term limit to maintain some stability)
 - Laurel McKinney
 - Brenda Eilers
 - Kenn Naegale
 - Rick Currie
 - Peter Shang
 - Lisa Shipley
- Appoint
 - Xiaoli Xue replacing Frances Cottrell who reached term limit
 - Terry Cunningham replacing Mary Porter who reached term limit
 - Linda Ford replacing Brenda Cunningham who has reached term limit
 - Rick Valone replacing Linda Gemayel who has resigned

The council is comprised of eleven (11) members; seven (7) Sr. Center members and four (4) at-large members. Terms are two years with a three term limit. If approved by the Board of Mayor and Aldermen the recommended table reflects term dates.

Current Council:			
Member	Term Expires	No. of Terms	Eligibility
Pat Breeding	1/1/21	3	At-large
Frances Cottrell	1/1/21	3	Member
Brenda Cunningham	1/1/21	3	At-large
Mary Porter	1/1/21	3	Member
Laurel McKinney	9/30/21	2	Member
Brenda G. Eilers	9/30/21	1	Member
Linda Gemayel	9/30/21	2	Member
Kenn Naegale	9/30/21	1	At-large
Rick Currie	9/30/21	2	Member
Peter Shang	9/30/21	2	Member
Lisa Shipley	9/30/21	2	At-large

Recommended Council:			
Member	Term Expires	No. of Terms	Eligibility
Pat Breeding	9/30/24	4	At-large
Xiaoli Xue	9/30/24	1	Member
Linda Ford	9/30/24	1	Member
Terry Cunningham	9/30/24	1	At-large
Laurel McKinney	9/30/24	3	Member
Brenda G. Eilers	9/30/24	2	Member
Rick Valone	9/30/24	1	Member
Kenn Naegale	9/30/24	2	At-large
Rick Currie	9/30/24	3	Member
Peter Shang	9/30/24	3	Member
Lisa Shipley	9/30/24	3	At-large

Attachments:

1. Xiaoli Xue Bio
2. Terry Cunningham Bio
3. Linda Ford Bio
4. Rick Valone Bio

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

Xiaoli Xue

My name is Xiaoli Xue (pronounced as Shaoli Shu). You could also call me Shirley if you would like. I am a mother and wife. I was born in China and I have been living in the states for 24 years. I was a college professor teaching Political Science in China, and I was an Accountant in the states for a short period of time. I like to explore different social and cultural traditions, and I enjoy reading, hiking, and cooking.

TERRY WILLIAM CUNNINGHAM, CPHM

Home

2428 Wildwood Drive
Kingsport, TN 37660
(423) 288-6659

KHRA

PO Box 44
Kingsport, TN 37662-0044
(423) 392-2513
(423) 292-5105 cell

Terry serves as the Executive Director for the Kingsport Housing & Redevelopment Authority (KHRA) and is responsible for the administrative and professional work involved in planning, directing, coordinating and managing the KHRA's low income housing and redevelopment programs, Housing Choice Voucher Rental Assistance Program, Holston Terrace 202 Program, and Greater Kingsport Alliance for Development, Inc.

Terry is a member of the Rotary Club and serves on several boards to include Appalachian Regional Coalition on Homelessness (ARCH), TN Housing Authority Risk Mgmt. Trust, Rural Health Services Consortium, United Way of Kingsport, South Central Kingsport Community Development, Inc., Easter Eight Community Development Corporation, Federation of Appalachian Housing Enterprises and Federal Home Loan Bank of Cincinnati.

Terry resides in Kingsport with his wife, Brenda. They have two daughters and one son.

Linda Ford

Linda moved to Kingsport 24 years ago from Big Stone Gap, VA. She has 3 grown children and 9 grandchildren.

Linda worked in the medical field as a radiology technician and mammographer for 40 years. After retirement, she has enjoyed the benefits of the Kingsport Senior Center to keep her active .

Richard Valone

rwvalone@gmail.com

Rick and his family are new to Kingsport moving here a year ago from Charlotte, NC. While in NC he was involved with various fundraisers to include the Ronald McDonald House of Charlotte preparing meals and raising funds. He has also volunteered with the Owego Fire Dept. in NY.

Rick is eager to become involved in the community here in Kingsport as he feels it's such a blessing to donate time to others and special causes.

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, August 1, 2022, 4:30 PM
City Hall, Boardroom, 415 Broad Street

PRESENT: Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Vice-Mayor Colette George
Alderman Betsy Cooper
Alderman Darrell Duncan
Alderman Paul W. Montgomery (*arrived after roll call*)
Alderman Tommy Olterman
Alderman James Phillips

City Administration

Chris McCartt, City Manager
Ryan McReynolds, Deputy City Manager
Michael Borders, Assistant City Manager
Jessica Harmon, Assistant City Manager
Bart Rowlett, City Attorney
Lisa Winkle, City Recorder/Treasurer
Scott Boyd, Fire Chief
Dale Phipps, Police Chief
John Morris, Budget Officer
John Rose, Economic Development Director
John Burkholder, Risk Manager
Floyd Bailey, Chief Information Officer
Tyra Copas, Human Resources Manager
Adrienne Batara, Public Relations Director
Michael Thompson, Public Works Director
Ken Weems, Planning Manager
Angie Marshall, City Clerk/Deputy City Recorder

1. **CALL TO ORDER:** 4:30 p.m. by Mayor Patrick W. Shull.
2. **ROLL CALL:** by Deputy City Recorder Angie Marshall.
3. **KINGSPORT FIRE DEPARTMENT: OPEN BURN.** Fire Marshal Chris Vandergriff gave a presentation on the City's burn policy, pointing out that Kingsport is the only jurisdiction in the area where no permit is required within the city limits. He stated possible solutions to this would be to institute a burn permit policy or ban open burning within the city limits entirely. There was some discussion as he answered questions from the board. Deputy City Manager McReynolds stated staff could look at a model code and reach out for citizen input on this issue before moving forward. Chief Boyd noted the educational as well as the regulatory benefits a policy would provide.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, August 1, 2022

4. ECONOMIC DEVELOPMENT UPDATE. Economic Development Director John Rose presented this item, providing an update on several residential and retail projects. He also provided details on new and potential developments. There was considerable discussion throughout the presentation as he answered questions from the board. Mr. Rose did confirm the goats would be returning soon to Cement Hill.

5. REVIEW OF AGENDA ITEMS ON THE AUGUST 2, 2022 REGULAR BUSINESS MEETING AGENDA. City staff gave a summary for each item on the proposed agenda. The following items were discussed at greater length or received specific questions or concerns.

VII.5 Management Control Agreement between Tennessee Bureau of Investigation and the City (AF: 231-2022). Chief Phipps provided details on this item, noting it was an oversight management tool that allows monitoring of the I.T. Department since it cannot be considered a law enforcement agency on its own.

VII.7 Reschedule Meetings of Board of Mayor and Aldermen in September, 2022 (AF: 228-2022). Deputy City Manager McReynolds explained about the BMA meetings in September being changed.

Alderman Cooper commented on new residents. Vice-Mayor George encouraged citizens to participate and increase voter turnout for the upcoming county election, noting their decisions in the county still affect city residents. Mayor Shull commented on the pageants held at Meadowview, pointing out they just renewed their contract for the next three years.

6. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Shull adjourned the meeting at 5:53 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, August 2, 2022, 7:00 PM
City Hall, 415 Broad Street, Boardroom

PRESENT:

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding	
Vice Mayor Colette George	Alderman Paul Montgomery
Alderman Betsy Cooper	Alderman Tommy Olterman
Alderman Darrell Duncan	Alderman James Phillips

City Administration

Chris McCartt, City Manager
Bart Rowlett, City Attorney
Lisa Winkle, Treasurer/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: Planner Jessica McMurray

II.B. INVOCATION: Pastor Chris Brown, Colonial Heights United Methodist.

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

IV.A. RECOGNITIONS AND PRESENTATIONS.

1. National Farmers Market Week - Alderman Philips (Michael Borders)
2. Public Outreach Award – Water Services – Alderman Cooper (Chad Austin and Amanda McMullen)

IV.B. APPOINTMENTS/REAPPOINTMENTS.

1. Appointments to the Neighborhood Advisory Commission (AF: 121-2022) (Mayor Shull).

Motion/Second: Montgomery/George, to approve:

APPOINTMENTS OF AMY PROVANCE TO FULFILL THE UNEXPIRED TERM OF SUZANNE BURNS (EXPIRING 12/31/22) AND CHRISTY MCMAKIN TO FULFILL THE UNEXPIRED TERM OF KATIE PRIESTER (EXPIRING 12/31/24) ON THE NEIGHBORHOOD ADVISORY COMMISSION.

Passed: All present voting “aye.”

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 2, 2022**

V. APPROVAL OF MINUTES.

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

- A. July 18, 2022 Regular Work Session
- B. July 19, 2022 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

A. PUBLIC HEARINGS. None.

PUBLIC COMMENT. Mayor Shull invited citizens in attendance to speak about any of the remaining agenda items. 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 FY22 (AF: 229-2022)**
(Chris McCartt).

Motion/Second: Olterman/George, to pass:

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2022; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

- 2. Budget Adjustment for Various Funds in FY23 (AF: 230-2022)**
(Chris McCartt).

Motion/Second: Duncan/Cooper, to pass:

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2023; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

- 1. Amend FY23 General Purpose School Fund and General Purpose Project Fund Budgets (AF: 221-2022) (David Frye).**

Motion/Second: Phillips/Montgomery, to pass:

ORDINANCE NO. 7031, AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND AND GENERAL PROJECT FUND BUDGETS FOR THE FISCAL YEAR ENDING JUNE 30, 2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 2, 2022**

2. Budget Adjustment for Various Funds in FY22 (AF: 223-2022)
(Chris McCartt).

Motion/Second: George/Olterman, to pass:

ORDINANCE NO. 7032, AN ORDINANCE TO AMEND THE VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2022; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Budget Adjustment for Various Funds in FY23 (AF: 224-2022)
(Chris McCartt).

Motion/Second: George/Cooper, to pass:

ORDINANCE NO. 7033, AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2023; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

4. Amend Section 6-218 of City Code to Change the Hours of Beer Sales (AF: 216-2022) (Chris McCartt)

Motion/Second: George/Cooper, to pass:

ORDINANCE NO. 7034, AN ORDINANCE TO AMEND CHAPTER SIX, ARTICLE III, SECTION 218 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, RELATING TO HOURS OF OPERATION OF BEER SALES AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

D. OTHER BUSINESS.

1. Amend Agreement with Central Technologies, Inc., to Include All Schools in the Surveillance Camera System Upgrade Project (AF: 227-2022)
(David Frye).

Motion/Second: Duncan/Phillips, to pass:

Resolution No. 2023-019, A RESOLUTION AMENDING THE AGREEMENT WITH CENTRAL TECHNOLOGIES, INC. FOR THE KINGSPORT CITY SCHOOLS SURVEILLANCE CAMERA SYSTEM UPGRADE PROJECT, AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

Passed: All present voting “aye.”

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2. Approve Various Subrecipient Agreements and Authorize the Mayor to Execute (AF: 226-2022) (Jessica McMurray)

Motion/Second: George/Cooper, to pass:

Resolution No. 2023-020, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS WITH VARIOUS AGENCIES AND ORGANIZATIONS FOR COMMUNITY DEVELOPMENT BLOCK FUNDING IN FISCAL YEAR 2022-2023

Passed: All present voting “aye.”

3. Authorize the City Recorder to Reconcile and Adjust Uncollectible Property Taxes for Tax Year 2011 (AF: 222-2022) (Chris McCartt).

Motion/Second: Montgomery/Olterman, to pass:

Resolution No. 2023-021, A RESOLUTION AUTHORIZING THE CITY RECORDER TO RECONCILE AND ADJUST DELINQUENT PROPERTY TAX RECEIVABLES IN FISCAL YEAR 2022 FOR THE TAX YEAR 2011 AND AUTHORIZING AND DIRECTING THE MAYOR AND THE CITY RECORDER TO EXECUTE ANY PLEADINGS NECESSARY AND PROPER FOR THE DELINQUENT TAX COLLECTION LAWSUIT

Passed: All present voting “aye.”

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

Motion/Second: George/Olterman, to adopt:

1. Authorize Agreements with Tennessee Department of Environment and Conservation Granting Certification to Review and Approve Local Water and Sewer Projects (AF: 213-2022) (Ryan McReynolds).

Pass:

Resolution No. 2023-022, A RESOLUTION APPROVING AGREEMENTS WITH THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION TO AUTHORIZE LOCAL APPROVAL OF CONSTRUCTION PLANS FOR WATER AND SEWER INFRASTRUCTURE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENTS

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

2. Rescind Award of Tire Recapping Services to Southern Tire Mart and Award Bid to Goodyear Tire & Rubber Co. (AF: 232-2022) (Ryan McReynolds/Steve Leonard).

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Pass:

Resolution No. 2023-023, A RESOLUTION RESCINDING THE AWARD OF BID FOR TIRE RECAPPING SERVICES TO SOUTHERN TIRE MART; AWARDING THE BID FOR TIRE RECAPPING SERVICES TO GOODYEAR TIRE & RUBBER CO.; AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

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

3. Lease Agreement with Kingsport Model Trains Project Inc. at Lynn View Community Center (AF: 220-2022) (Michael Borders).

Pass:

Resolution No. 2023-024, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT FOR THE USE OF SPACE AT THE LYNN VIEW COMMUNITY CENTER BY KINGSFORT MODEL TRAINS PROJECT, INC. AND TO EXECUTE ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

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

4. Agreement with Engage Kingsport to Administer a Cultural Arts Initiative (AF: 235-2022) (Michael Borders).

Pass:

Resolution No. 2023-025, A RESOLUTION AUTHORIZING AN AGREEMENT WITH ENGAGE KINGSFORT TO ADMINISTER A CULTURAL ARTS INITIATIVE 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: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

5. Management Control Agreement between Tennessee Bureau of Investigation and the City (AF: 231-2022) (Chief Phipps).

Pass:

Resolution No. 2023-026, A RESOLUTION APPROVING A MANAGEMENT CONTROL AGREEMENT WITH THE TENNESSEE BUREAU OF INVESTIGATION 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: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

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6. Execute All Documents to Apply for and Receive AAA Traffic Safety Grant for Up to \$15,000 (AF: 234-2022) (Chief Phipps).

Pass:

Resolution No. 2023-027, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN AAA SAFETY GRANT FOR THE KINGSPORT POLICE DEPARTMENT

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

7. Reschedule Meetings of Board of Mayor and Aldermen in September, 2022 (AF: 228-2022) (Chris McCartt).

Pass:

Resolution No. 2023-028, A RESOLUTION SETTING THE DATE FOR A WORK SESSION OF THE BOARD OF MAYOR AND ALDERMAN ON SEPTEMBER 12, 2022, A BUSINESS MEETING OF THE BOARD OF MAYOR AND ALDERMEN ON SEPTEMBER 13, 2022 AND CANCELLING ALL OTHER PREVIOUSLY SET MEETINGS IN SEPTEMBER, 2022

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

VIII. COMMUNICATIONS.

A. CITY MANAGER. Deputy City Manager McReynolds thanked city employees for their efforts during Funfest and afterwards. He also thanked the BMA and the BOE for creating a great environment for the kids.

B. MAYOR AND BOARD MEMBERS. Alderman Duncan commented on the presentation by Economic Development Director John Rose yesterday at the work session, noting it was interesting to see that perspective and the movement downtown. Alderman Cooper mentioned the upcoming concerts at Allandale. Alderman Montgomery wished Alderman Duncan a happy birthday and congratulated the schools for opening a new school year. He also recognized the Public Works Department, noting he has heard many good compliments from citizens in his neighborhood. Alderman Phillips mentioned the upcoming Lo Country Boil at the Farmers Market as well as the Atlanta Braves trophy on display there this Sunday on its tour. Alderman Olterman echoed Alderman Montgomery’s comments wishing Alderman Duncan a happy birthday and congratulating the teachers for the new school year. Vice-Mayor George provided more details on the Allandale concerts happening every Thursday in August. She encouraged citizens to support both Allandale and the Netherland Inn. She also reminded everyone of the upcoming county election on Thursday and the importance for city residents to vote in order to receive funds from the state. Mayor Shull stated his appreciation for all city employees

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 2, 2022**

and thanked both the Police and Fire Chief who were present. He also commented on the economic development presentation yesterday, pointing out that despite everything going on the city is still moving forward. Lastly the mayor stated that although the city celebrated the 100th anniversary of the charter in 2017 there is a second noteworthy 200th anniversary from August 1822 that will be commemorated at the Netherland Inn on August 20.

- C. VISITORS.** Rosemarie Trent commented on transportation needs for patients of the methadone clinic in Gray. Bradley Williams commented on the need for code enforcement in his neighborhood.

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

ANGELA MARSHALL
Deputy City Recorder

PATRICK W. SHULL
Mayor



AGENDA ACTION FORM

Public Hearing and Consideration of a Resolution to Annex and Adopt a Plan of Services for the Browder Road Annexation and Consideration of an Ordinance to Amend Zoning

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

Action Form No.: AF-237-2022
 Work Session: August 22, 2022
 First Reading: August 23, 2022

Final Adoption: September 13, 2022
 Staff Work By: Ken Weems
 Presentation By: K. Weems

Recommendation:

- Hold public hearing
- Approve resolution for the Browder Road Annexation
- Approve ordinance amending the zoning ordinance for the Browder Road Annexation
- Approve resolution adopting a Plan of Services for the annexation area

Executive Summary:

This is an owner-requested annexation of approximately 1.15 acres located at 206 Browder Road. The proposed zoning for the annexation site is R-3, Low Density Apartment District. The purpose of the annexation is to accommodate development of multifamily residential units on the site. During their July 2022 regular meeting, the Kingsport Regional Planning Commission voted to send a favorable recommendation for the annexation, zoning, and plan of services to the Board of Mayor and Aldermen by a vote of 5-0. The notice of public hearing was published on August 8, 2022.

Attachments:

1. Notice of Public Hearing
2. Annexation Resolution
3. Zoning Ordinance
4. Plan of Services Resolution
5. Staff Report

Funding source appropriate and funds are available: *Jim*

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: *Jim*

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on August 23, 2022 to consider the annexation, zoning, and plan of services for the property defined as Sullivan County Tax Map 078, Parcel 098.24. The regular business meeting will begin at 7:00 p.m. in the Board of Mayor and Alderman meeting room on the third floor of City Hall, at 415 Broad Street, Kingsport, Tennessee.

The property proposed for annexation and rezoning is generally described as follows:

Sullivan County Tax Parcel ID 078 098.24

All interested persons are invited to attend this meeting and public hearing. A detailed map, annexation resolution, and plan of service resolution is on file in the offices of the City Clerk, Kingsport Chamber of Commerce, Kingsport Public Library, and in the territory that is proposed for annexation for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9368.

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



CITY OF KINGSPORT
Angie Marshall, City Clerk
PIT: 8/8/2022

RESOLUTION NO. _____

A RESOLUTION TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 7th CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE BROWDER ROAD ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS RESOLUTION

WHEREAS, a public hearing before the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, was held on the 23rd day of August 2022, and notice thereof published in the Kingsport Times-News on the 8th day of August 2022; and

WHEREAS, the Board of Mayor and Aldermen finds that the annexation will materially benefit the health, safety, and welfare of the citizens and property owners of the city and the territory annexed; and

WHEREAS, the annexation of such property is deemed necessary for the welfare of the residents and property owners thereof and the city as a whole; and

WHEREAS, pursuant to *Tenn. Code Ann.* § 6-51-104(a) the property owners of the affected territory have requested annexation of their property by the City of Kingsport by submitting written consent signed by the property owners to the city; and

WHEREAS, a plan of services for this area was adopted by resolution on the 23rd day of August, 2022 prior to the annexation of this territory as required by *Tenn. Code Ann.* § 6-51-102, *et seq.*

Now therefore,

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

SECTION I. Pursuant to the authority conferred by Tennessee Code Annotated §6-51-102 *et seq.* and upon written consent signed by the property owners in the affected territory submitted to the city there is hereby annexed to the City of Kingsport, Tennessee, and incorporated within the corporate boundaries thereof, the following described territory adjoining the present corporate boundaries: embracing that certain part of Civil District No. 7 of Sullivan County, Tennessee, and more fully described to-wit:

Sullivan County Tax Parcel ID 078 098.24

SECTION II. That this resolution shall take effect thirty (30) days from and after the date of its adoption, the public welfare of the citizens of Kingsport, Tennessee requiring it.

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

ADOPTED this the 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG BROWDER ROAD FROM COUNTY B-3, GENERAL COMMERCIAL DISTRICT, TO R-3, LOW DENSITY APARTMENT 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

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

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property located along Browder Road from County B-3, General Commercial District to R-3, Low Density Apartment District in the 7th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

Sullivan County Tax Parcel ID 078 098.24

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

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

PATRICK W. SHULL
Mayor

ATTEST:

ANGELA MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III
City Attorney

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

RESOLUTION NO. ____

A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE
BROWDER ROAD ANNEXATION OF THE CITY OF KINGSPORT,
TENNESSEE

WHEREAS, before any territories may be annexed under Tennessee Code Annotated §6-51-102, the governing body shall have previously adopted a plan of services setting forth the identification and timing of municipal services; and

WHEREAS, before any such plan of services shall have been adopted, it must have been submitted to the local planning commission for study and a written report; and

WHEREAS, a plan of services for the proposed Browder Road annexation was submitted to the Kingsport Regional Planning Commission on July 28, 2022, for its consideration and a written report; and

WHEREAS, prior to the adoption of a plan of services, the City shall hold a public hearing; and

WHEREAS, a public hearing was held August 23, 2022; and

WHEREAS, notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the municipality a minimum of fifteen (15) days prior to the hearing; and

WHEREAS, notice of the time and place of the public hearing was published in the Kingsport Times-News on August 8, 2022; and

WHEREAS, the City of Kingsport, pursuant to the provisions of Tennessee Code Annotated, §6-51-102 has endeavored to annex a portion of the 7th Civil District of Sullivan County, Tennessee, commonly known as the Browder Road Annexation, said area being bounded and further described as follows:

Sullivan County Tax Parcel ID 078 098.24

WHEREAS, the City of Kingsport deems it advisable to adopt a Plan of Services for the proposed annexation area.

Now therefore,

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

SECTION I. That a Plan of Services for the Fieldcrest Annexation as bounded and described above is hereby adopted, subject to an enactment of an annexation resolution for the annexation area, the said Plan of Services to be as follows:

**Browder Road
Plan of Services**

1. Police Protection

- A. On the date of annexation the Kingsport Police Department will respond to all calls for service for police protection, including criminal calls, traffic accidents and traffic related occurrences, and other prevention and interdiction calls for service.
- B. Effective with annexation, all resources currently available within the Kingsport Police Department will become available to the citizens of the area. The Kingsport Police Department has an authorized accredited force of 119 police officers and approximately 43 civilian personnel to provide services 24-hours per day, 365 days a year.
- C. The Kingsport Police Department is accredited with the Commission on Accreditation for Law Enforcement Agencies and has met 363 mandatory and 54 other-than mandatory standards in order to attain this status. Kingsport Police Department was only the third accredited department in the State of Tennessee and the first in northeast Tennessee.
- D. When needed, the Kingsport Police Department will hire additional police officers to provide more response to annexed areas. The officers will undergo approximately 500 hours of basic recruit training before being certified as a police officer. Upon completion of the classroom training, the officers will undergo approximately 696 hours of field officer training where they will work and be trained by designated training officers.
- E. The Kingsport Police Department will provide upon request crime prevention programs, traffic safety education programs and drug education/awareness programs to the citizens of the area. Additional programs include department personnel to address groups on law enforcement topics or concerns, home and business security checks and establishing and maintaining neighborhood watch programs.
- F. The Kingsport Police Department currently maintains an approximate 3 minute and 7 second average response time to emergency and urgent calls within the corporate limits.

2. Fire Protection

- A. On the operative date of annexation, the City of Kingsport will answer all calls for service for fire, disaster, hazardous materials, special rescue and medical first responder. The Kingsport Fire Department goes beyond the basic fire services required of a City Government.

- B. Free fire safety inspections will be available upon request on the effective date of annexation. Water lines will be upgraded within five (5) years after the effective date of annexation to provide needed fire flow to protect the properties.
- C. All structures must be brought into compliance with the City-wide smoke detector ordinance within thirty (30) days of the effective date of annexation. This is strictly to provide residents with the best fire protection service available.
- D. The City of Kingsport Fire Department has a Hazardous Materials Response Team, which has state-of-the-art equipment to handle all calls of an emergency nature dealing with incidents relating to hazardous chemicals. The department also has a Technical Rescue Team that has specialized rescue capabilities and equipment for all types of hazards.
- E. The City of Kingsport Fire Department provides First Responder emergency medical services to all life-threatening medical emergencies resulting from serious illness or injury. We provide advanced life support (paramedics) for victims until ambulance service arrives for transport.

3. Water

- A. Water will be billed at in City rates rather than out of City rates, which will result in a reduction in water rates for annexed citizens already receiving City water. Those not currently receiving City water will be required to obtain a water-tap in order to obtain City water.
- B. City of Kingsport water service currently serves the site.
- C. The City of Kingsport Water Department meets or exceeds water quality standards set forth by the State of Tennessee and the United States Environmental Protection Agency. The plant has been the recipient of the EPA Partnership for Safe Drinking Water award for nine consecutive years.
- D. The Water Distribution Division is managed with a professional staff who are members of key professional organizations such as: American Water Works Association, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a distribution system in the State of Tennessee.

4. Electricity

Electric service in this area is currently under the jurisdiction of American Electric Power and is currently available.

5. Sanitary Sewer

- A. City of Kingsport sanitary sewer will currently serves the site.
- B. Sanitary sewer fees are based on usage of water and are direct reflection of the amount of water used by the resident.
- C. The City of Kingsport operates and maintains a 12.4 MGD wastewater treatment plant, 100 sewer lift stations and approximately 550 miles of sanitary sewer collection lines to provide sewer service to our customers.
- D. The City of Kingsport Wastewater Treatment Plant continually invests in improvements to provide a reliable and dependable infrastructure.
- E. The wastewater treatment plant is staffed with State Certified Operators 24 hours a day, 365 days a year. Treatment plant operators exceed State of Tennessee training requirements, and the Wastewater Treatment Plant is the recipient of multiple operations excellence awards.
- F. The Sewer Collection Division is managed with a professional staff who are members of key professional organizations such as: Water Environment Federation, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a collection system in the State of Tennessee.

6. Solid Waste Disposal

Sanitation garbage (routine household refuse), trash (grass clippings, tree trimmings, bulky items), and access to recycling centers will be provided to the annexed area on the same basis as that received by properties located within the existing City Limits. Collection will begin within thirty (30) days following the effective date of annexation. Members of the collection crews receive ongoing training in their fields. The City of Kingsport also owns and operates a demolition landfill that residents can use for a fee. That landfill is

supervised by a SWANA certified Manager of Landfill Operations. This supervisor also holds other certifications from SWANA and TDEC.

7. Public Road/Street Construction & Repair

- A. Emergency and routine maintenance of any future streets and street signs, pavement markings and other traffic control devices will begin on the operative date of annexation and once constructed and accepted by the City. Emergency pothole repairs are generally made within 24 hours of notification. Crews are available on a 24 hour basis for major emergency call-outs.
- B. Cleaning of streets of snow and ice clearing on future City streets will begin on the operative date of annexation and once constructed and accepted on the same basis as now provided within the present City limits. This includes major thoroughfares, State highways and emergency route to hospitals as first priority, with secondary/collector streets and finally residential streets in that order as priority II. Snow removal crews receive yearly training to help keep them up to date with changes in procedures and techniques. Snow removal crews also respond on a 24 hour emergency call in basis.
- C. Future streets affected by utility construction will be repaired as soon as possible after the utility construction is completed.
- D. Routine Right of Way maintenance on any future city streets will also be provided on the effective date of annexation and once constructed and accepted. Tasks include Mowing, Tree Maintenance and Weed Control by certified personnel as needed to respond to routine maintenance requests and emergencies.
- E. The Streets and Sanitation Division is managed and supervised by a professional staff who are members in good standing of several Professional Organizations such as the Tennessee Chapter of the American Public Works Association, the national chapter of the American Public Works Association, the Volunteer Chapter of the Solid Waste Association of North America, the national chapter of the Solid Waste Association of North America, the Tennessee Urban Forestry Council, the Tennessee Nursery and Landscape Association, National Arbor Day Association, Tennessee Vegetation Management Association, and the Keep Kingsport Beautiful Council. The staff receives ongoing training through these Professional Organizations. Members of the staff are active in their respective organizations. Members of the staff also serve as trainers and instructors for various training venues.

8. Recreational Facilities

- A. Residents of the annexed area may use existing City recreational facilities, programs, parks, etc. on the effective date of annexation at City rates rather than out of City rates.
- B. Residents of the annexed area may use all existing library facilities and will be exempt from the non-residential fee on the effective date of annexation.
- C. Residents of the annexed area (50 years or older) will be eligible to use the Senior Citizens Center with no non-residential fees and with transportation provided on the effective date of annexation.
- D. The Department of Parks and Recreation has more than 4,800 acres of city-owned land to provide parks and recreation programs to all our citizens. The amenities and programs offered by many of the parks and recreation areas through the Leisure Services Department include playing fields for baseball and softball, basketball courts, play grounds, volley ball, tennis courts, a skate park and concession areas and restrooms to serve these facilities. Other amenities offered include General meeting areas, multi-function areas, Community Centers, senior programs, Theater and Cultural Arts programs. Many of the parks have walking and hiking trails and Bays Mountain, the City's largest park, includes animal habitats, a farm area, camping sites, and a Planetarium.

9. Street Lighting

Within five years of the operative date of annexation the City will take over responsibility (including payment) for dusk-to-dawn lights presently in place that meet City standards. The City will request that AEP install additional streetlights on collector-class and lower streets in accordance with the policy on roadway lighting within five (5) years of the effective date of annexation.

10. Zoning Services

- A. The area will be zoned R-3 (Low Density Apartment District)
- B. The Kingsport Regional Planning Commission is the comprehensive planning agency and administers zoning and land subdivision regulations for the City of Kingsport as provided in State law. The Kingsport Regional Planning Commission consists of nine (9) commissioners appointed by the Mayor of the City of Kingsport.

- C. The Kingsport Regional Planning Commission will exercise planning and zoning activities for the area being annexed upon the operative date of annexation.
- D. Appeals to the Zoning regulations are heard by the Board of Zoning Appeals and variances are granted if the request meets the criteria established for granting variances under Tennessee Code Annotated.

11. Schools

- A. Upon annexation, children currently attending County schools will be allowed to attend City of Kingsport schools or remain in County schools per the prevailing County policy at the time.
- B. Tuition paid by non-city residents now attending City schools will cease upon the effective date of annexation and those students may continue to attend City schools without charge until graduation.

The previous sections are titled and listed in the order prescribed by Tennessee Code Annotated 6-51-102(b) (2). The following sections are provided by the City of Kingsport in addition to the minimum requirements.

12. Inspection Services

All inspection services now provided by the City on a fee basis (building, electrical, plumbing, gas, housing, sanitation, etc.) will begin in the annexed area on the effective date of annexation. A free safety inspection of plumbing vents will be required at the time sewer connections are made to make sure that proper protection is available to prevent sewer gas from entering houses.

13. Animal Control

Animal control service equivalent to that presently provided within the City will be extended to the annexed area on the effective date of annexation.

14. Storm Sewers

Maintenance of existing storm sewer systems within the public ROW is provided on an as needed basis. Response to emergency storm drainage calls is also provided on a 24 hour call in basis.

15. Leaf Removal

The City will collect loose leaves with the vacuum truck between October 15 and January 15, and it will be provided to the annexation area on the same basis as it is currently provided to other City residents beginning on the effective date of annexation. Bagged leaves are collected year round. Leaves are transported to the City's Demolition Landfill where they are composted and used as an amendment to existing dirt stockpiles. This enhanced dirt is then used on City Projects for backfill and topsoil applications.

16. Graffiti Control

The City's graffiti control program, which is aimed at eliminating graffiti on public rights-of-way such as bridge abutments, street signs, railroad underpasses, and the like, will be extended to the area on the effective date of annexation. It is provided on an "as needed/on call" basis. Response time for "offensive" graffiti removal is generally within 48 hours.

17. Other Services

All other services not classified under the foregoing headings such as Executive, Judicial, Legal, Personnel, Risk Management, Fleet Maintenance, Finance and Administration and other support services will be available upon the effective date of annexation.

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

ADOPTED this the 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Kingsport Regional Planning Commission

Annexation Report

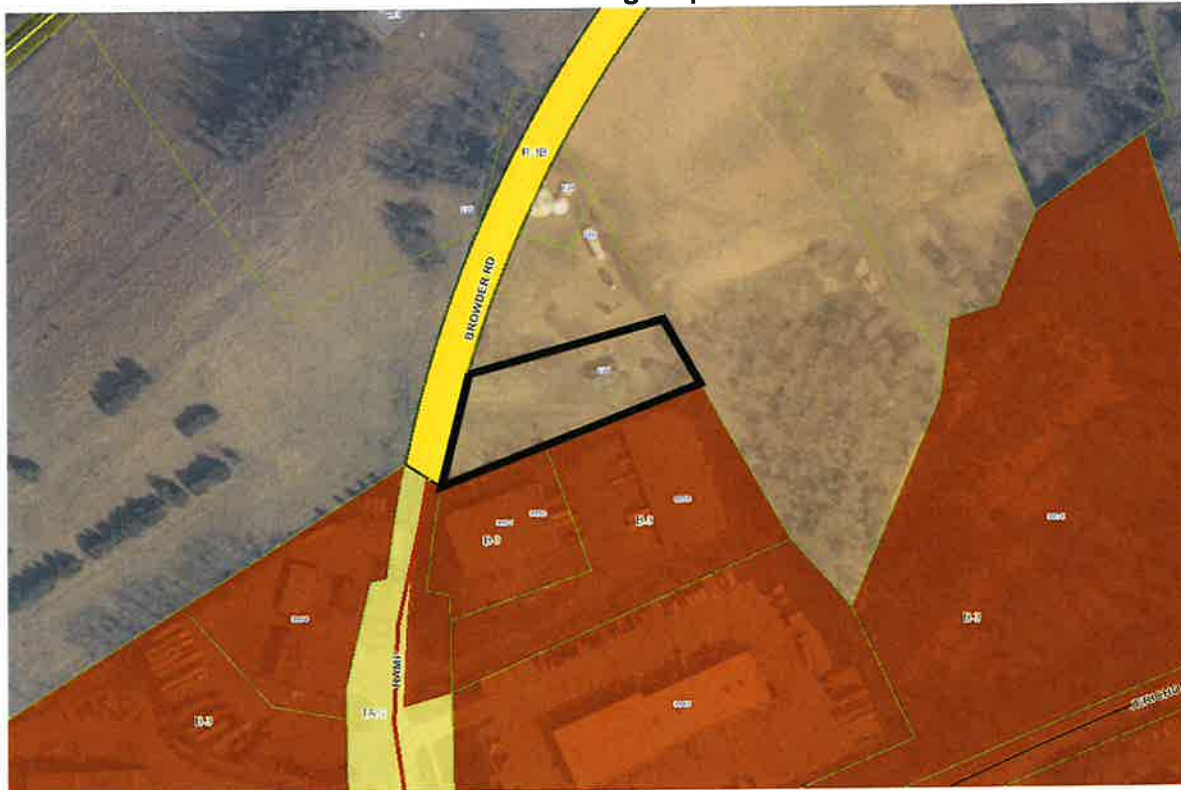
ANNEX22-0094

Property Information	Browder Road Property		
Address	206 Browder Road		
Tax Map, Group, Parcel	Tax Map 078, Parcel 098.24		
Civil District	7th		
Overlay District	None		
Land Use Plan Designation	Retail/Commercial		
Acres	1.15 acs +/-		
Existing Use	Residential/vacant	Existing Zoning	County B-3 Commercial
Proposed Use	Multifamily residential	Proposed Zoning	R-3
Owner Information		Owner Information	
Name: Benson Lai Address: 3657 Crest Road City: Kingsport State: TN Zip Code: 37664 Email: benson.lai001@gmail.com Phone Number: 423-276-5473			
Planning Department Recommendation			
<p>RECOMMENDATION: APPROVAL to recommend the Annexation, Zoning, and Plan of Services to the BMA</p> <p>The Kingsport Planning Division recommends approval for the following reasons:</p> <ul style="list-style-type: none"> • <i>The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.</i> • <i>It is reasonably necessary for the welfare of the residents and property owners of the affected territory.</i> • <i>The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the area.</i> • <i>Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.</i> • <i>It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.</i> <p>Staff Field Notes and General Comments: This is a property owner-requested annexation. The owner desires to construct several multifamily units on the property.</p>			
Planner:	Ken Weems	Date:	July 15, 2022
Planning Commission Action		Meeting Date:	July 28, 2022
Approval:			
Denial:		Reason for Denial:	

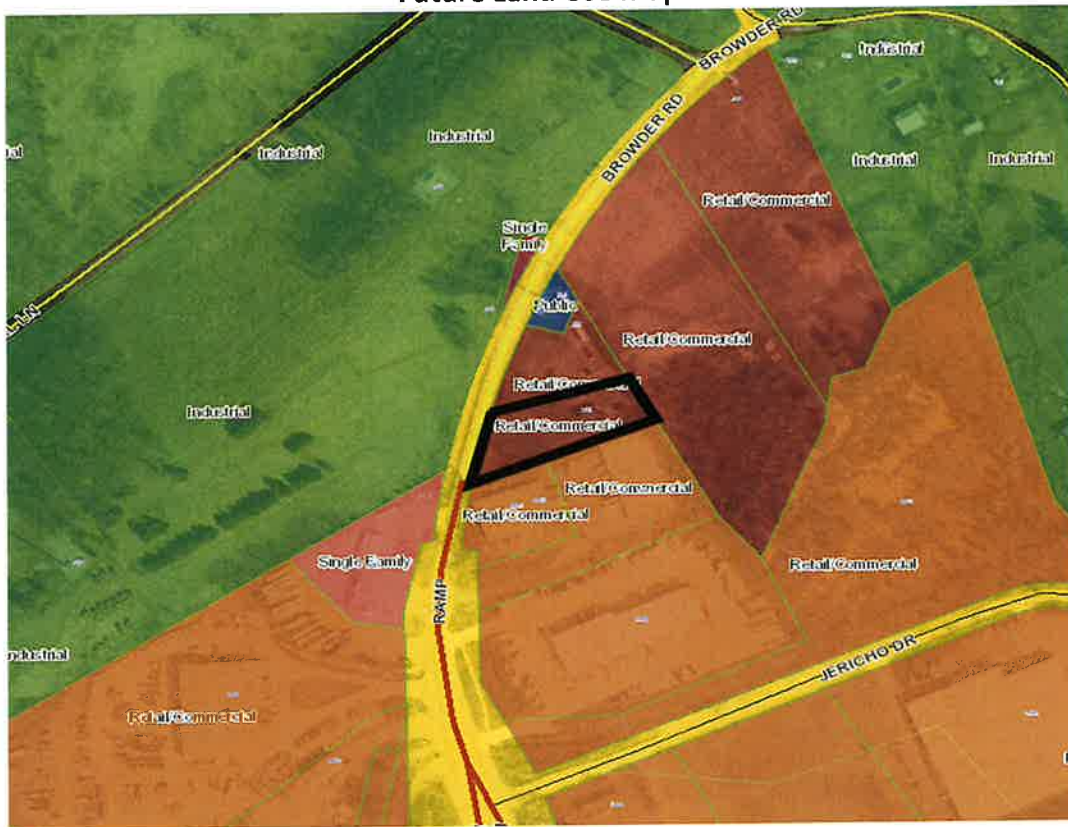
Location Map



Zoning Map



Future Land Use Map



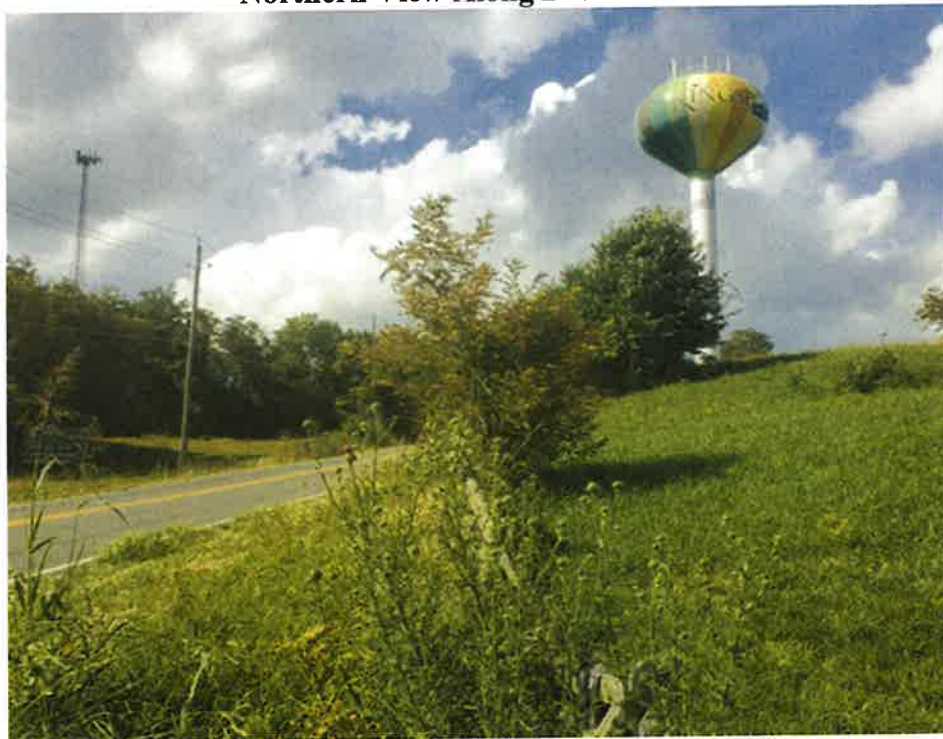
Aerial



View of Property from Browder Rd




Northern View Along Browder Rd



Southern View Along Browder Rd



Current Annual Revenue (Vacant Property)		 July 15 2022	
Property Tax	\$ -		
State Shared Tax	\$ -		
Water/Sewer Fees	\$ -		
Total Current Revenue (Vacant)	\$ -	Browder Road Annexation Analysis	
Proposed Annual Revenue (Vacant Property)			
Property Tax	\$ 363		
State Shared Tax			
Water/Sewer Fees			
Total Annual Revenue	\$ 363		
One Time Expenses		Annual Expenses	
Police Department	\$ -	Police Service	\$ -
Street Lighting	\$ -	Street Lighting	\$ -
Traffic Controls	\$ -	Traffic Controls	\$ -
Water	\$ -	Building Department	\$ -
Sewer	\$ -	Sanitation Refuse	\$ -
Building	\$ -	Recycling	\$ -
Sanitation Refuse	\$ -	Trash	\$ -
Recycling	\$ -	Street Sweeping	\$ -
Trash	\$ -	Street Maintenance	\$ -
Street Sweeping	\$ -	Right of Way/Leaves	\$ -
Street Maintenance	\$ -	Landscaping	\$ -
ROW/Leaves	\$ -	Streets/Sanitation Admin.	\$ -
Landscaping	\$ -	Schools	\$ -
Streets/Sanitation Admin.	\$ -	Total Annual Expenses	\$ -
Schools	\$ -	Yellow highlight denotes expenses outside the General Fund (Water Fund, Sewer Fund, Schools Fund)	
Total One Time Expenses	\$ -		
		One Time Total Cost	\$ -
		Annual Expenses	\$ -
		Annual Revenues	\$ 363

CONCLUSION

The Kingsport Planning Division recommends sending a favorable recommendation to the Board of Mayor and Alderman for the annexation, zoning, and Plan of Services for the Browder Road Annexation based on the following reasons:

- *The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.*
- *It is reasonably necessary for the welfare of the residents and property owners of the affected territory.*
- *The City of Kingsport already provides services to the properties in this area.*
- *Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.*
- *It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.*



AGENDA ACTION FORM

Consideration of a Budget Adjustment Ordinance for Various Funds in FY23

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

Action Form No.: AF-241-2022
 Work Session: August 22, 2022
 First Reading: August 23, 2022

Final Adoption: September 13, 2022
 Staff Work By: John Morris
 Presentation By: C. McCartt

Recommendation:

Approve the ordinance.

Executive Summary:

The General Projects-Special Revenue Fund budget is being amended by transferring \$42,075.00 from the Brickyard Park Buffer project (NC2226) to the Greenbelt Landscaping project (NC2227).

The Sewer Project Fund budget is being amended by accepting a grant from the Appalachian Resource Commission (ARC) in the amount of \$350,000.00 and appropriating funds to be received from Washington County in the amount of \$485,000.00 to the Valleybrook Sewer Extension project (SW2303) and by transferring \$190,000.00 from the West Kingsport Sewer Evaluation project (SW2207) to the South Fork Sewer Basin Study project (SW2304).

Attachments:

1. Ordinance

Funding source appropriate and funds are available: *am*

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
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR
THE YEAR ENDING JUNE 30, 2023; 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 \$42,075 from the Brickyard Park Buffer project (NC2226) to the Greenbelt Landscaping project (NC2227).

SECTION II. That the Sewer Project Fund budget be amended by accepting a grant from the Appalachian Resource Commission (ARC) in the amount of \$350,000 and appropriating funds to be received from Washington County in the amount of \$485,000 to the Valleybrook Sewer Extension project (SW2303) and by transferring \$190,000 from the West Kingsport Sewer Evaluation project (SW2207) to the South Fork Sewer Basin Study project (SW2304).

Account Number/Description:

Brickyard Park Buffer (NC2226)

Revenues:

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	60,000	(42,075)	17,925
Total:	60,000	(42,075)	17,925

Expenditures:

111-0000-601.20-22 Construction Contracts

	\$	\$	\$
	60,000	(42,075)	17,925
Total:	60,000	(42,075)	17,925

Greenbelt Landscaping (NC2227)

Revenues:

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	105,000	42,075	147,075
Total:	105,000	42,075	147,075

Expenditures:

111-0000-601.20-23 Arch/Eng/Landscaping Serv

	\$	\$	\$
	105,000	42,075	147,075
Total:	105,000	42,075	147,075

Account Number/Description:

Sewer Project Fund: 452

Valleybrook Sewer Ext (SW2303)

Revenues:

452-0000-331.32-00 ARC

452-0000-333.77-45 Washington County

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	0	350,000	350,000
	0	485,000	485,000
Total:	0	835,000	835,000

Expenditures:

452-0000-606.90-26 Sewer Extensions

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	0	835,000	835,000
Total:	0	835,000	835,000

West Kingsport Sewer Evaluation (SW2207)

Revenues:

452-0000-391.42-00 From Sewer Fund

Totals:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	403,398	(190,000)	213,398
Totals:	403,398	(190,000)	213,398

Expenditures:

452-0000-606.20-23 Arch/Eng/Landscaping Serv

Totals:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	403,398	(190,000)	213,398
Totals:	403,398	(190,000)	213,398

South Fork Sewer Basin (SW2304)

Revenues:

452-0000-391.42-00 From Sewer Fund

Totals:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	0	190,000	190,000
Totals:	0	190,000	190,000

Expenditures:

452-0000-606.20-23 Arch/Eng/Landscaping Serv

Totals:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	0	190,000	190,000
Totals:	0	190,000	190,000

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:

RODNEY B. ROWLETT, III, City Attorney

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



AGENDA ACTION FORM

An Ordinance to Amend the FY 2023 the General Purpose School Fund Budget

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

Action Form No.: AF-248-2022
 Work Session: August 22, 2022
 First Reading: August 23, 2022

Final Adoption: September 13, 2022
 Staff Work By: David Frye
 Presentation By: D. Frye

Recommendation:

Approve the ordinance.

Executive Summary:

The Board of Education approved fiscal year 2023 budget amendment number two at their meeting on August 9, 2022. This amendment increases the General Purpose School Fund budget by \$272,000.00. The estimated revenue for Basic Education Funds is being increased by \$266,000.00 and the estimated revenue for Other Local Revenue is being increased by \$6,000.00. The appropriations for Teacher Salaries and Benefits is being increased by \$73,500.00, the appropriations for Health Insurance Benefits is being increased by \$118,000.00, the appropriations for CTE Other Wages and Benefits is being increased by \$6,000.00, and the appropriations for Fund Transfer is being increased by \$74,500.00. The Fund Transfers will provide local funding to the Voluntary Pre-K program (\$64,500.00) and the Family Resource Center program (\$10,000.00).

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Two – FY 2023

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: *aw*

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PURPOSE
SCHOOL FUND FOR THE FISCAL YEAR ENDING JUNE 30,
2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Purpose School Fund Budget be amended by increasing the estimated revenue for State BEP Funds by \$266,000 and Other Local Revenue by \$6,000. The expenditure budget will be amended by increasing the appropriations Regular Teacher Salaries and Benefits by \$73,500; by increasing the appropriations for Health Insurance by \$118,000; by increasing the appropriations for Vocational Education Other Wages and Benefits by \$6,000; and by increasing the appropriations for Fund Transfers by \$74,500.

Fund 141: General Purpose School Fund

<u>Revenues:</u>	\$	\$	\$
141-0000-338-6511 State BEP Funds	35,911,000	266,000	36,177,000
141-0000-369-4990 Other Local Revenue	700,000	6,000	706,000
<i>Totals</i>	36,611,000	272,000	36,883,000

<u>Expenditures:</u>	\$	\$	\$
141-7116-711-0116 Reg Ed Inst – Teacher Sal	28,087,700	55,900	28,143,600
141-7116-711-0201 Reg Ed Inst – Social Security	1,753,900	3,500	1,757,400
141-7116-711-0204 Reg Ed Inst – St Retirement	2,555,100	5,000	2,560,100
141-7116-711-0206 Reg Ed Inst – Life Insurance	64,200	200	64,400
141-7116-711-0207 Reg Ed Inst – Health Ins	4,801,700	7,800	4,809,500
141-7116-711-0209 Reg Ed Inst – Long-Term Dis	34,800	200	35,000
141-7116-711-0210 Reg Ed Inst – Unemp Ins	21,400	100	21,500
141-7116-711-0212 Reg Ed Inst – Medicare	410,100	800	410,900
141-7150-711-0207 Reg Ed Inst – Health Ins	4,809,500	70,000	4,879,500
141-7150-721-0207 Sp Ed Inst – Health Ins	615,200	11,000	626,200
141-7150-731-0207 Voc Ed Inst – Health Ins	135,100	500	135,600
141-7250-772-0207 Health Ser – Health Ins	114,200	2,200	116,400
141-7250-773-0207 Other Std Sup – Health Ins	221,600	3,900	225,500
141-7250-781-0207 Reg Ed Sup – Health Ins	288,200	5,100	293,300
141-7250-782-0207 Sp Ed Sup – Health Ins	70,500	1,300	71,800
141-7250-783-0207 Voc Ed Sup – Health Ins	5,200	100	5,300
141-7250-785-0207 Technology Sup – Health Ins	87,000	1,500	88,500
141-7250-792-0207 Superintendent Off – Hlth Ins	73,500	1,300	74,800
141-7250-801-0207 Principals Office – Health Ins	443,400	7,000	450,400
141-7250-811-0207 Fiscal Services – Health Ins	67,200	1,100	68,300
141-7250-812-0207 Human Resources – Hlth Ins	33,300	600	33,900
141-7250-821-0207 Operation of Plant – Hlth Ins	319,000	5,500	324,500
141-7250-822-0207 Maint of Plant – Health Ins	158,100	2,700	160,800
141-7250-831-0207 Reg Ed Trans – Health Ins	178,800	3,400	182,200
141-7253-831-0207 Sp Ed Trans – Health Ins	40,100	800	40,900

141-7100-731-0189	Voc Inst – Other Wages	0	5,600	5,600
141-7100-731-0189	Voc Inst – Social Security	66,800	300	67,100
141-7100-731-0189	Voc Inst - Medicare	15,700	100	15,800
141-7950-881-0590	Fund Transfers	910,400	74,500	984,900
	Totals	46,381,700	272,000	46,653,700

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:

APPROVED AS TO FORM:

ANGELA MARSHAL, Deputy City Recorder

RODNEY B. ROWLETT, III, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

August 9, 2022

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2022-2023
BUDGET AMENDMENT NUMBER TWO

GENERAL PURPOSE SCHOOL FUNDS

ITEM ONE: STATE BEP REVENUE

The current FY 2023 estimated revenue for State BEP funds is \$35,911,000. The final allocation amount received from the State is \$36,087,000. This is an increase of \$176,000. There is a 6.1% increase in State health insurance premiums scheduled for January 1, 2023. Based on the increase in BEP funds received in January 2022 for a 2.5% increase in insurance premiums, it is estimated that the revised January 2023 will increase by approximately \$90,000. The estimated January allocation is \$36,177,000. This is an increase of \$266,000 above the current estimate.

It is recommended that the estimated revenue for State of Tennessee – Basic Education Program (BEP) funds be increased by \$266,000 and that these funds be appropriated to various accounts has detailed in items two through five, listed below.

ITEM TWO: ADDITIONAL TEACHING POSITION

The approved FY 2023 budget included 2 discretionary teaching positions. These two positions have been assigned to the middle school band program and special education. The kindergarten enrollment at Roosevelt Elementary has required the addition of a teaching position that was not funded in the original budget.

It is recommended that the appropriations for Regular Education Teacher Salaries and Benefits be increased by \$73,500.

ITEM THREE: HEALTH INSURANCE PREMIUMS.

The current FY 2023 budget includes funding for a 2.5% increase in health insurance premiums, effective January 1, 2023. The amount included for this is \$86,000. Since the budget was approved the State has announced that the health insurance increase scheduled for January 1, 2023, is 6.1%. The estimated costs of this increase is \$204,000. This is \$118,000 increase over the current budget.

It is recommended that the appropriations for various Health Insurance accounts be increased by \$118,000.

ITEM FOUR: FUNDING FOR VOLUNTARY PRE-K PROGRAM

Kingsport City Schools receives grant funds from the State of Tennessee to operate eight Pre-K classrooms. This includes an additional classroom for FY 2023. The FY 2023 grant amount is \$676,900. This funds each classroom in the amount of \$84,612. The total KCS budget for this program is \$741,400. This budget includes \$23,300 for supplies, equipment and professional development, but does not include the costs of three instructional assistants that are paid through

Head Start. For the past couple of years there has been no budget for equipment, supplies, or professional development. The limited funding provided for supplies has been provided by other budgets and the General Purpose School Fund has had to absorb some of the personnel costs. For FY 2023 and beyond it will be necessary to use General Purpose School Funds to fund some of the personnel costs for this program.

It is recommended that the appropriation for Fund Transfers be increased by \$64,500 and that these funds be transferred to the School Project Fund.

ITEM FIVE: FUNDING FOR FAMILY RESOURCE CENTER

Kingsport City Schools receives grant funds from the State of Tennessee to operate the Family Resource Center grant program. The current budget for this program is \$50,000. This includes \$29,612 from the State of Tennessee and \$20,388 from the General Purpose School Fund. This budget has been \$50,000 for the past 29 years. The budget that has been developed the program for FY 2023 is \$60,000. This will require an additional \$10,000 to be provided by the General Purpose School Fund.

It is recommended that the appropriation for Fund Transfers be increased by \$10,000 and that these funds be transferred to the School Project Fund.

ITEM SIX: AEP DONATION FOR INTERN PROGRAM

Appalachian Electric Power has made a donation for \$6,000. This donation is to fund an internship program for Dobyns-Bennett students to work with AEP.

It is recommended that the estimated revenue for Other Local Revenue and that the appropriations for CTE Other Wages and benefits be increased by \$6,000.

SCHOOL PROJECT FUND

VOLUNTARY PRE-K GRANT (PK5123)

The approved budget for this program is \$590,000. This was an estimated amount and did not include State funding for an additional classroom. The total budget will be \$741,400. This includes funding for eight classrooms.

It is recommended that the estimated revenue for State funding be increased by \$86,900 and the estimated revenue for Transfers from the School Fund be increased by \$64,500. It is also recommended that the appropriations be increased by \$151,400.

FAMILY RESOURCE CENTER GRANT (FRC023)

The approved budget for this program is \$50,000. This is the same budget amount that has existed for several years. Due to increases in personnel costs and other inflationary increases, this budget required additional funding.

It is recommended that the estimated revenue for Transfers from the School Fund be increased by \$10,000. It is also recommended that the appropriations be increased by \$10,000.

WASHINGTON ELEMENTARY STEM GRANT (WASH22)

This program currently has a budget of \$16,686. These funds are from a prior year Battelle grant of \$13,786 and a donation from the Washington PTA for \$2,900. Washington has been awarded an additional Battelle grant for the STEM school designation for \$20,000.

It is recommended that the estimated revenue for Other Local Revenue and the appropriations for Supplies and Equipment be increased by \$20,000.

D-B EXCEL STEM GRANT (DBE023)

D-B Excel has been awarded a Battelle grant of \$20,000 for designation has a STEM school.

It is recommended that the estimated revenue for Other Local Revenue and the appropriations for Supplies and Equipment be increased by \$20,000.

KINGSPORT CITY SCHOOLS
SCHEDULE OF SCHOOL SPECIAL PROJECTS
FISCAL YEAR 2022-2023

PROGRAM	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Coordinated School Health	\$ 127,980			\$ 127,980
Family Resource Center	50,000	10,000		60,000
Homeless Education Program	55,000			55,000
State - Pre-School Grant	590,000	151,400		741,400
Safe Schools Act Grant	185,000			185,000
Washington STEM	0	20,000		20,000
DBE STEM	0	20,000		20,000
Truancy Intervention Grant	53,720			53,720
Total School Special Projects	\$ 1,061,700	\$ 201,400	\$ 0	\$ 1,263,100



AGENDA ACTION FORM

An Ordinance to Amend the FY 2023 the School Special Projects Fund Budget

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

Action Form No.: AF-249-2022
 Work Session: August 22, 2022
 First Reading: August 23, 2022

Final Adoption: September 13, 2022
 Staff Work By: David Frye
 Presentation By: D. Frye

Recommendation:

Approve the ordinance.

Executive Summary:

The Board of Education approved fiscal year 2023 budget amendment number two at their meeting on August 9, 2022. This amendment increases the School Special Projects Fund budget by \$201,400.00. The estimated revenue for Other State Education Funds is being increased by \$86,900.00, the estimated revenue for Other Local Revenue is being increased by \$40,000.00, and the estimated revenue for Transfers from School Fund is being increased by \$74,500.00. The appropriations for DB Excel and Washington STEM grants is being increased by \$40,000.00, appropriations for the Pre-K Expansion grant is being increased by \$151,400.00, and the appropriations for the Family Resource Center grant is being increased by \$10,000.00

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Two – FY 2023

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: *jm*

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

ORDINANCE NO. ****

PRE-FILED
CITY RECORDER

AN ORDINANCE TO AMEND THE FY 2023 SCHOOL SPECIAL PROJECTS FUND BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the FY 2023 School Special Projects Fund budget be amended by increasing/(decreasing) appropriations for Grant funds to the following Grant projects.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
CSH023 Coordinated School Health	100,000	0	100,000
DBE023 DB Excel STEM Grant	0	20,000	20,000
FRC023 Family Resource Center	29,612	0	29,612
HAG023 Homeless Assistance	55,000	0	55,000
KTIP23 Kingsport Truancy Intervention	53,720	0	53,720
PK5123 Pre-K Expansion Grant System-Wide	590,000	86,900	676,900
SSA023 Safe Schools Act	115,000	0	115,000
WASH23 Washington STEM Grant	0	20,000	20,000
Transfer from General School Fund	118,368	74,500	201,868
<u>Totals:</u>	1,061,700	201,400	1,263,100
<u>Expenditures:</u>	\$	\$	\$
Instruction	590,000	186,203	776,203
Support Services	471,700	15,197	486,897
Non-Instructional Services	0	0	0
Capital Outlay	0	0	0
Other	0	0	0
<u>Totals:</u>	1,061,700	201,400	1,263,100

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:

APPROVED AS TO FORM:

ANGELA MARSHALL, Deputy City Recorder

RODNEY B. ROWLETT, III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:

City of Kingsport, Tennessee



AGENDA ACTION FORM

An Ordinance Amending Sections 155 and 157 of Article IV, Chapter 66 of the Kingsport Code of Ordinances Regarding the Composition of the Bays Mountain Park Commission

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-254-2022
 Work Session: August 22, 2022
 First Reading: August 23, 2022

Final Adoption: September 13, 2022
 Staff Work By: Michael Borders
 Presentation By: M. Borders

Recommendation:

Approve the ordinance.

Executive Summary:

Historically, Sullivan County has contributed financial support to the operations of Bays Mountain Park and the Sullivan County Mayor has recommended an appointment to the Bays Mountain Park Commission. Staff recommends Kingsport Code of Ordinances section 66-155 be amended to officially adopt this practice.

Moreover, the Bays Mountain Park Director currently serves as an ex officio member. Staff recommends Kingsport Code of Ordinances section 66-155 be amended to designate the Director as a non-voting ex officio member

Lastly, staff recommends Kingsport Code of Ordinances section 66-157 be amended to increase the number of members necessary to call a meeting and the number of members necessary to constitute a quorum be increased from four members to five voting members.

As a result of these changes the Bays Mountain Park Commission will consist of ten total members, nine of whom shall have voting rights.

Attachments:

1. Ordinance
2. K.C.O. 66-155 with proposed changes tracked
3. K.C.O. 66-157 with proposed changes tracked

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: *JM*

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND SECTIONS 155 AND 157 OF ARTICLE IV, CHAPTER 66 OF THE CODE OF ORDINANCES, CITY OF KINGSFORT, TENNESSEE, RELATING TO THE BAYS MOUNTAIN PARK COMMISSION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That Section 66-155 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 66-155. - Composition; appointment; filling vacancies; compensation.

(a) The Bays Mountain Park Commission shall be composed of ten members as follows:

- (i) seven at large members, at least five of whom shall be residents of the city;
- (ii) one member of the Sullivan County Commission who shall be recommended by the mayor of Sullivan County;
- (iii) the Bays Mountain Park Association President who shall serve as an ex officio member;
- (iv) the Director of Bays Mountain Park who shall serve as a non-voting ex officio member.

(b) The at large members of the commission shall be appointed by the mayor with the approval of the board. The board shall approve the member of the Sullivan County Commission upon recommendation of the mayor of Sullivan County. All non ex officio members shall serve a term of three years or until their successors are appointed and qualify.

(c) If a vacancy occurs on the commission among the at large members, the mayor shall appoint a new member to fill the unexpired term. The mayor of Sullivan County shall recommend a new county commissioner should the county commission member cease to serve on the Sullivan County Commission. All appointments shall be approved by the board.

(d) The members of the commission shall serve without compensation.

SECTION II. That Section 66-157 of the Code of Ordinances, City of Kingsport, Tennessee, is amended as follows:

Sec. 66-157. - Meetings; quorum.

The Bays Mountain Park Commission shall meet in regular session at least quarterly, and the time and place shall be decided by vote of the members. It shall be the duty of the chairperson to preside over all meetings of the commission. In the absence of the chairperson, the vice-chairperson shall preside. The secretary shall keep a record of all proceedings of the commission. Special meetings may be called by the chairperson or by any five voting members of the commission. Five voting members shall constitute a quorum.

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

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

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

Sec. 66-155. - Composition; appointment; filling vacancies; compensation.

- (a) The Bays Mountain Park Commission shall be composed of ten members as follows:
 - (i) Seven at large members, at least five of whom shall be residents of the city;
 - (ii) one member of the Sullivan County Commission who shall be recommended by the mayor of Sullivan County;
 - (iii) the Bays Mountain Park Association President who shall serve as an ex officio member;
 - (iv) The Director of Bays Mountain Park who shall serve as a non-voting ex officio member.
- (b) The at large members of the commission shall be appointed by the mayor with the approval of the board. The board shall approve the member of the Sullivan County Commission upon recommendation of the mayor of Sullivan County. All non ex officio members shall serve a term of three years or until their successors are appointed and qualify.
- (c) If a vacancy occurs on the commission among the at large members, the mayor shall appoint a new member to fill the unexpired term. The mayor of Sullivan County shall recommend a new county commissioner should the county commission member cease to serve on the Sullivan County Commission. All appointments shall be approved by the board.
- (d) The members of the commission shall serve without compensation.

Sec. 66-157. - Meetings; quorum.

The Bays Mountain Park Commission shall meet in regular session at least quarterly, and the time and place shall be decided by vote of the members. It shall be the duty of the chairperson to preside over all meetings of the commission. In the absence of the chairperson, the vice-chairperson shall preside. The secretary shall keep a record of all proceedings of the commission. Special meetings may be called by the chairperson or by any ~~four~~five voting members of the commission. ~~Four~~Five voting members shall constitute a quorum.



AGENDA ACTION FORM

Consideration of a Budget Adjustment Ordinance for Various Funds in FY22

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

Action Form No.: AF-229-2022
 Work Session: August 1, 2022
 First Reading: August 2, 2022

Final Adoption: **August 23, 2022**
 Staff Work By: John Morris
 Presentation By: C. McCartt

Recommendation:

Approve the ordinance.

Executive Summary:

The General Fund budget is being increased by \$630,046.00 by increasing the Gross Receipts revenue line (110-0000-315.10-00) by \$448,258.00, the Engineering Fees line (110-0000-348.80-00) by \$89,388.00, the First Responder line (110-0000-333.20-20) by \$92,400.00, and by appropriating to the Future Appropriations line (110-4890-901.60-01) in the amount of \$30,046.00, to the To Aquatic Center Fund (110-4804-481.70-39) in the amount of \$200,000.00, and to the To Solid Waste Mgmt line (110-4804-481.70-22) in the amount of \$400,000.00.

The Regional Sales Tax Fund budget is being reduced by reducing the Conference Center line (130-0000-313.11-00) by \$10,000.00, and by transferring \$150,000.00 from the To Aquatic Center line (130-4804-481.70-39) to the To Meadowview line (130-4804-481.70-26) in the amount of \$98,484.00 and to the To Cattails @ Meadowview line (130-4804-481.70-27) in the amount of \$41,516.00.

The Solid Waste Fund budget is being increased by appropriating \$400,000.00 to the From General Fund line (415-0000-391.01-00), reducing the From Fund Balance line (415-0000-392.01-00) by \$23,971.00 and increasing the Equipment line (415-4023-462.90-04) by \$376,029.00.

Executive Summary Continued

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: *sw*

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

The Aquatic Center Fund budget is being increased by \$50,000.00 by reducing the From Regional Sales Tax line (419-0000-391.25-00) by \$150,000.00 and by increasing the From General Fund line by \$200,000.00 and by increasing the Food & Supply Purchases line by \$50,000.00.

The Meadowview Conference Center Fund is being increased by \$23,484.00 by appropriating \$98,484.00 to the From Regional Sales Tax Fund line (420-0000-391.25-00) and reducing the From Fund Balance line (420-0000-392.01-00) by \$75,000.00, and increasing the Meadowview Conference Ctr line (420-5001-501.80-39) by \$23,484.00.

The Cattails Golf Course Fund is being increased by increasing the From Regional Sales Tax line (421-0000-391.25-00) by \$41,516.00, and increasing the Landscaping line (421-5076-508.30-51) by \$41,516.00.

The Risk Management Fund is being increased by appropriating \$200,000.00 from Fund Balance Appopr (615-0000-392.01-00) and increasing the Insurance Claims line (615-1705-413.51-00) by \$200,000.00.

The Health Insurance Fund is being increased by appropriating \$525,000.00 from Fund Balance Appopr (625-0000-392.01-00) and increasing the Insurance Claims line (625-1704-413.51-00) by \$525,000.00.

The Retirees Health Insurance Fund is being increased by appropriating \$135,000.00 from Fund Balance Appopr (626-0000-392.01-00) and increasing the Insurance Claims line (626-1704-413.51-00) by \$135,000.00.

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR
THE YEAR ENDING JUNE 30, 2022; AND, TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund budget be increased by \$630,046 by increasing the Gross Receipts revenue line (110-0000-315.10-00) by \$448,258, the Engineering Fees line (110-0000-348.80-00) by \$89,388, the First Responder line (110-0000-333.20-20) by \$92,400, and by appropriating to the Future Appropriations line (110-4890-901.60-01) in the amount of \$30,046, to the To Aquatic Center Fund (110-4804-481.70-39) in the amount of \$200,000, and to the To Solid Waste Mgmt line (110-4804-481.70-22) in the amount of \$400,000.

SECTION II. That the Regional Sales Tax Fund budget be reduced by reducing the Conference Center line (130-0000-313.11-00) by \$10,000, and by transferring \$150,000 from the To Aquatic Center line (130-4804-481.70-39) to the To Meadowview line (130-4804-481.70-26) in the amount of \$98,484 and to the To Cattails @ Meadowview line (130-4804-481.70-27) in the amount of \$41,516.

SECTION III. That the Solid Waste Fund budget be increased by appropriating \$500,000 to the From General Fund line (415-0000-391.01-00), reducing the From Fund Balance line (415-0000-392.01-00) by \$23,971 and increasing the Equipment line (415-4023-462.90-04) by \$476,029.

SECTION IV. That the Aquatic Center Fund budget be increased by \$50,000 by reducing the From Regional Sales Tax line (419-0000-391.25-00) by \$150,000 and by increasing the From General Fund line by \$200,000 and by increasing the Food & Supply Purchases line by \$50,000.

SECTION V. That the Meadowview Conference Center Fund be increased by \$23,484 by appropriating \$98,484 to the From Regional Sales Tax Fund line (420-0000-391.25-00) and reducing the From Fund Balance line (420-0000-392.01-00) by \$75,000 and increasing the Meadowview Conference Ctr line (420-5001-501.80-39) by \$23,484.

SECTION V. That the Cattails Golf Course Fund be increased by increasing the From Regional Sales Tax line (421-0000-391.25-00) by \$41,516, and increasing the Landscaping line (421-5076-508.30-51) by \$41,516.

SECTION VI. That the Risk Management Fund is being increased by appropriating \$200,000 from Fund Balance Apprpr (615-0000-392.01-00) and increasing the Insurance Claims line (615-1705-413.51-00) by \$200,000.

SECTION VII. That the Health Insurance Fund be increased by appropriating \$525,000 from Fund Balance Apprpr (625-0000-392.01-00) and increasing the Insurance Claims line (625-1704-413.51-00) by \$525,000.

SECTION VIII. The Retirees Health Insurance Fund be increased by appropriating \$135,000 from Fund Balance Apprpr (626-0000-392.01-00) and increasing the Insurance Claims line (626-1704-413.51-00) by \$135,000.

Account Number/Description:**General Fund: 110****Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
110-0000-315.10-00 Gross Receipts Tax	1,525,743	448,258	1,974,001
110-0000-333.20-20 First Responders	0	92,400	92,400
110-0000-348.80-00 Engineering Fees	366,937	89,388	456,325
Total:	1,892,680	630,046	2,522,726

Expenditures:

	\$	\$	\$
110-4804-481.70-22 To Solid Waste Fund	2,200,000	400,000	2,600,000
110-4804-481.70-39 To Aquatic Center Fund	0	200,000	200,000
110-4890-901.60-01 Future Appropriations	0	30,046	30,046
Total:	2,200,000	630,046	2,830,046

Regional Sales Tax Fund: 130**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
130-0000-313.11-00 Conference Center	4,477,070	(10,000)	4,467,070
130-0000-361.10-00 Earnings on Investments	12	0	12
Total:	4,477,082	(10,000)	4,467,082

Expenditures:

	\$	\$	\$
130-4804-481.70-26 To Meadowview Fund	2,050,000	98,484	2,148,484
130-4804-481.70-27 To Cattails @ Meadowview	165,300	41,516	206,816
130-4804-481.70-39 To Aquatic Center Fund	2,261,782	(150,000)	2,111,782
Total:	4,477,082	(10,000)	4,467,082

Solid Waste Fund: 415**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
415-0000-391.01-00 From General Fund	2,200,000	400,000	2,600,000
415-0000-392.01-00 From Fund Balance	23,971	(23,971)	0
Total:	2,223,971	376,029	2,600,000

Expenditures:

	\$	\$	\$
415-4023-462.90-04 Equipment	0	376,029	376,029
Total:	0	376,029	376,029

Aquatic Center Fund: 419**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
419-0000-391.01-00 From General Fund	0	200,000	200,000
419-0000-391.25-00 From Regional Sales Tax	2,261,593	(150,000)	2,111,593
Total:	2,261,593	50,000	2,311,593

Expenditures:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
419-5022-507.31-90 Food & Supply Purchases	84,643	50,000	134,643
Total:	89,964	50,000	134,643

Meadowview Conference Center Fund: 420**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
420-0000-391.25-00 From Regional Sales Tax	2,050,000	98,484	2,148,484
420-0000-392-01-00 From Fund Balance	75,000	(75,000)	0
Total:	2,125,000	23,484	2,148,484

Expenditures:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
420-5001-501.80-39 Meadowview Conference Ctr	381,000	23,484	404,484
Total:	381,000	23,484	404,484

Cattails Golf Course Fund: 421**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
421-0000-391.25-00 From Regional Sales Tax	165,300	41,516	206,816
Total:	165,300	41,516	206,816

Expenditures:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
421-5076-508.30-51 Landscaping	1,000	41,516	42,516
Total:	1,000	41,516	42,516

Risk Management Fund: 615**Revenues:**

615-0000-392.01-00 From Fund Balance

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	13,645	200,000	213,645
Total:	13,645	200,000	213,645

Expenditures:

615-1705-413.51-00 Insurance Claims

	\$	\$	\$
	655,650	200,000	855,650
Total:	655,650	200,000	855,650

Health Insurance Fund: 625**Revenues:**

625-0000-392.01-00 From Fund Balance

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	3,557	525,000	528,557
Total:	3,557	525,000	528,557

Expenditures:

625-1704-413.51-00 Insurance Claims

	\$	\$	\$
	7,500,000	525,000	8,025,000
Total:	7,500,000	525,000	8,025,000

Retirees Health Insurance Fund: 626**Revenues:**

626-0000-392.01-00 From Fund Balance

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	0	135,000	135,000
Total:	0	135,000	135,000

Expenditures:

625-1704-413.51-00 Insurance Claims

	\$	\$	\$
	750,000	135,000	885,000
Total:	750,000	135,000	885,000

SECTION IX. 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:

RODNEY ROWLETT, City Attorney

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



AGENDA ACTION FORM

Consideration of a Budget Adjustment Ordinance for Various Funds in FY23

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

Action Form No.: AF-230-2022
 Work Session: August 1, 2022
 First Reading: August 2, 2022

Final Adoption: **August 23, 2022**
 Staff Work By: John Morris
 Presentation By: C. McCartt

Recommendation:

Approve the ordinance.

Executive Summary:

The General Fund budget is being amended by transferring \$60,000.00 from the Future Appropriations line (110-4890-901.60-01) to the KHA Redevelopment line (110-1005-405.80-20) for the purchases of 1102 Oak Street and by transferring \$12,000.00 from the Future Appropriations line (110-4890-901.60-01) to the Keep Kingsport Beautiful line (110-1005-405.80-17) for contracted upkeep of the Greenbelt.

The General Project-Special Revenue Fund budget is being amended by appropriating a Senior Digital Literacy grant from the West End Home Foundation to the Senior Digital Literacy project (NC2306) in the amount of \$124,142.00.

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: *aw*

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

PRE-FILED CITY RECORDER

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR
THE YEAR ENDING JUNE 30, 2023; AND, TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund be amended by transferring \$60,000 from the Future Appropriations line (110-4890-901.60-01) to the KHA Redevelopment line (110-1005-405.80-20) for the purchases of 1102 Oak Street and by transferring \$12,000 from the Future Appropriations line (110-4890-901.60-01) to the Keep Kingsport Beautiful line (110-1005-405.80-17) for contracted upkeep of the Greenbelt.

SECTION II. That the General Project-Special Revenue Fund budget be amended by appropriating a Senior Digital Literacy grant from the West End Home Foundation to the Senior Digital Literacy project (NC2306) in the amount of \$124,142.

Fund 110: General Fund	Budget	Incr/(Decr)	New Budget
Expenditures:	\$	\$	\$
110-1005-405.80-17 Keep Kingsport Beautiful	45,000	12,000	57,000
110-1005-405.80-20 KHA Redevelopment	30,000	60,000	90,000
110-4890-901.60-01 Future Appropriations	72,000	(72,000)	0
Total:	147,000	0	147,000

Fund 111: Gen Project-Special Revenue Fund	Budget	Incr/(Decr)	New Budget
Senior Digital Literacy (NC2306)			
Revenues:	\$	\$	\$
111-0000-364.30-00 From Non-Profit Groups	0	124,142	124,142
Total:	0	124,142	124,142
Expenditures:	\$	\$	\$
111-0000-601.30-20 Operating Supplies & Tool	0	124,142	124,142
Total:	0	124,142	124,142

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:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



AGENDA ACTION FORM

A Resolution Authorizing the Purchase of One (1) T870 Bobcat Track Loader Utilizing Sourcewell Cooperative Purchasing Agreement

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

Action Form No.: AF-240-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: R. McReynolds / S. Leonard

Recommendation:

Approve the resolution.

Executive Summary:

It is the recommendation of the committee to purchase One (1) T870 Bobcat Track Loader from Bobcat of the Mountain Empire utilizing Sourcewell Cooperative Purchasing Agreement #040319-CEC for use by Street Maintenance Department. The delivery from the dealership to the agency is included in the price of \$88,961.72.

With Sourcewell, agencies can utilize competitively solicited contracts to help save time and resources while still meeting purchasing requirements. All cooperative purchasing contracts from Sourcewell have been competitively solicited by a lead public agency and meet rigorous cooperative standards and supplier commitments. Each supplier commits to delivering their best overall government pricing so that the City of Kingsport can buy with confidence.

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

This unit is a fleet replacement.

Funding is identified in Project/Account # 51150085019010

Attachments:

1. Resolution
2. Recommendation Memo
3. Quote
4. Sourcewell Cooperative Contract

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: *aw*

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO BOBCAT OF THE MOUNTAIN EMPIRE UTILIZING SOURCEWELL COOPERATIVE PURCHASING AGREEMENT NO. 040319-CEC FOR A BOBCAT TRACK LOADER FOR USE BY THE STREETS MAINTENANCE DEPARTMENT

WHEREAS, staff recommends the purchase one (1) T870 Bobcat Track Loader utilizing Sourcewell Cooperative Purchasing Agreement # 040219-CEC, for use by the streets maintenance department; and

WHEREAS, city participates in the Sourcewell cooperative purchasing; and

WHEREAS, Tennessee Code Annotated section 12-3-1205 permits city to participate in a cooperative purchasing agreement for the procurement of equipment; and

WHEREAS, in order to purchase the equipment, a purchase order needs to be issued to Bobcat of the Mountain Empire, in the amount of \$88,961.72; and

WHEREAS, funding for this equipment is available in project account # 51150085019010.

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 Bobcat of the Mountain Empire for One (1) T870 Bobcat track loader utilizing Sourcewell Cooperative Purchasing Agreement # #040319-CEC for use by street maintenance department, in the amount of \$88,961.72

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



FLEET MAINTENANCE DEPARTMENT
City of Kingsport

To: Nikisha Eichmann, Assistant Procurement Manager
From: Steve Leonard, Fleet Manager
Date: August 3, 2022
Re: Fleet Replacement of 2070 Purchase Recommendation

It is the recommendation of this office to purchase the Fleet Replacement of Street Maintenance unit # 2070 utilizing Sourcewell pricing of \$88,961.72. The unit awarded by Sourcewell meets the expectations of the departments and will fulfill the requirement of their operational needs. The Sourcewell Contract# 040319-CEC allows a municipality to purchase off of the Sourcewell Contract pricing. A copy of the Sourcewell Contract is attached.

Item	Quantity	Description	Award to Vendor	Fuel Economy
1	1	T870 Bobcat Track Loader	Bobcat of the Mountain Empire	N/A

These units will be a Fleet Replacements

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

The Sourcewell offerings were reviewed by, Tim Elsea and Chris Manis, and is in agreement with this recommendation.

Fuel Economy Improvement

00%

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

Sourcewell Contract Number 040319-CEC

Replacements

2070	2012 Kubota Skid Steer	Hours	3042
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Should you have any questions on this recommendation, please do not hesitate to contact me.

Thank you.





Bobcat

Product Quotation

Quotation Number: AMS-07727v1

Date: 2022-08-02 15:34:40

Customer Name/Address:	Bobcat Delivering Dealer	ORDER TO BE PLACED WITH: Contract Holder/Manufacturer
CITY OF KINGSPORT G2179 609 Industry Dr Kingsport, TN 37660-3519	Chris Muncey Bobcat of the Mountain Empire, Johnson City, TN 3711 BRISTOL HIGHWAY JOHNSON CITY TN 37601 Phone: (423) 282-3221 Fax: (423) 283-4149	Bobcat of the Mountain Empire 3711 Bristol Hwy Johnson City, TN 37601 Phone: 423-282-3221 Fax: 423-283-4149 Contact: Chris Muncey chrism@etra.biz

Description	Part No	Qty	Price Ea.	Total
T870 T4 Bobcat Compact Track Loader	M0293	1	\$70,635.60	\$70,635.60
100 HP Turbo Tier 4 Diesel Engine	Lift Path: Vertical Lights, Front & Rear Operator Cab <ul style="list-style-type: none"> Includes: Adjustable Suspension Seat, Top & Rear Windows, Seat Bar and 3-Point Seat Belt Roll Over Protective Structure (ROPS) meets SAE-J1040 & ISO 3471 Falling Object Protective Structure (FOPS) meets SAE-J1043 & ISO 3449, Level I; (Level II is available through Bobcat Parts) Parking Brake: Spring Applied, Pressure Released (SAPR) Torsion Suspension with 5 Rollers Tracks: Rubber, 17.7" wide Warranty: 2 years, or 2000 hours whichever occurs first			
2-Speed Travel				
Air Intake Heater (Automatically Activated)				
Auxiliary Hydraulics: Variable Flow				
Backup Alarm				
Power Bob-Tach Attachment Mounting				
Bobcat Interlock Control System (BICS)				
Controls: Bobcat Standard Controls with Power Assist				
Enclosed Cab with Air Conditioning & Heat				
Engine/Hydraulic Systems Shutdown				
Horn				
Instrumentation: Engine Temperature & Fuel				
Gauges, Hourmeter, RPM and Warning Lights				
Lift Arm Support				
Premier Package	M0293-P10-C21	1	\$5,084.64	\$5,084.64
Enclosed Cab with AC/Heat	7-Pin Attachment Control Kit High Flow 2-Speed Hydraulic Bucket Positioning Automatic Ride Control Reversing Fan			
Sound Reduction				
Cab Accessories Package				
Deluxe Instrument Panel with Keyless Start				
Radio				
Heated Cloth Air Ride Suspension Seat				
Power Bob-Tach				
Selectable Joystick Controls (SJC)	M0293-R01-C04	1	\$680.40	\$680.40
86" Severe Duty Bucket	7326128	1	\$1,947.88	\$1,947.88
--- Long Bolt-on tooth kit	7355992	8	\$50.65	\$405.20
Description	Part No	Qty	Price Ea.	Total
Rearview Camera	7489895	1	\$700.00	\$700.00
Total of Items Quoted				\$79,453.72
Dealer P.D.I.				\$300.00
Freight Charges				\$1,656.00
Dealer Assembly Charges				\$92.00
Other Charges: Material and Logistics				\$7,460.00
Quote Total - US dollars				\$88,961.72

***Prices per the Sourcewell Contract #040319-CEC.**

***Terms Net 60 Days. Credit cards accepted.**

***FOB Destination**

***State Sales Taxes apply. IF Tax Exempt, please include Tax Exempt Certificate with order.**

***TID# 38-0425350**

***Quote valid for 30 days**

ORDER ACCEPTED BY:

SIGNATURE

DATE

PRINT NAME AND TITLE

PURCHASE ORDER NUMBER

DELIVERY ADDRESS: _____

BILLING ADDRESS (if different than Ship To): _____

TAX EXEMPT? _____ **YES** _____ **NO**

Exempt in the State of _____

Tax Exempt ID:

FEDERAL - _____

STATE - _____

Expiration Date: _____

Form C**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**Company Name: Clark Equipment Company dba Bobcat Company

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS
N/A			

Proposer's Signature: _____

A handwritten signature in black ink, appearing to be "R. Smith", is written over the signature line.

Date: 3-29-2019**Sourcewell's clarification on exceptions listed above:**

Contract Award
RFP #040319



FORM D

Formal Offering of Proposal
(To be completed only by the Proposer)

**MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS,
ACCESSORIES, AND SUPPLIES**

In compliance with the Request for Proposal (RFP) for MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Clark Equipment Company dba Bobcat Company Date: 03-29-2019

Company Address: 250 East Beaton Dr.

City: West Fargo State: ND Zip: 58078

CAGE Code/DUNS: 1QK63 / 152762931

Contact Person: Randy L. Fuss Title: Director, Government Accounts

Authorized Signature:  Randy L. Fuss
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 040319-CEC

Proposer's full legal name: Clark Equipment Company dba Bobcat Company

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be May 31, 2019 and will expire on May 31, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:

Jeremy Schwartz

C0F02A139006489

SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

DocuSigned by:

Chad Coquette

7E42B8F817A04CC

SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on May 28, 2019

Sourcewell Contract # 040319-CEC

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name

Clark Equipment Company dba Bobcat Company

Authorized Signatory's Title

Director, Government Accounts

VENDOR AUTHORIZED SIGNATURE

Executed on May 30th, 2019

Randy L. Fuss
(NAME PRINTED OR TYPED)

Sourcewell Contract # 040319-CEC



Form F

PROPOSER ASSURANCE OF COMPLIANCE

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Clark Equipment Company dba Bobcat Company

Address: 250 East Beaton Dr.

City/State/Zip: West Fargo, ND. 58078

Telephone Number: 701-241-8746

E-mail Address: randy.fuss@doosan.com

Authorized Signature: 

Authorized Name (printed): Randy L. Fuss

Title: Director, Government Accounts

Date: 3-29-2019

Notarized

Subscribed and sworn to before me this 29 day of March, 2019

Notary Public in and for the County of Cass State of ND

My commission expires: May 8, 2023

Signature: 

LOGAN GIEFER
State of North Dakota
Notary Public
My Commission Expires May 8, 2023



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Clark Equipment Company dba Bobcat Company

Questionnaire completed by: Randy L. Fuss Director, Government Accounts

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

- Bobcat Company
Terms: Net 30

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

- Bobcat Company
We provide competitive leasing, tax free municipal leasing and other financing options for various terms, which are available through the authorized dealer locations and other third party financing organizations such as; Wells Fargo, PNC, and National Cooperative Leasing.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

- Bobcat Company
 - Quote preparation will be completed by the Government Accounts Department or Bobcat Dealer Sales Representative
 - Quote presented will include ordering instructions to submit to the Government Accounts Department or respective Bobcat Dealer
 - All orders will be sent to and handled/processed through the corporate Bobcat Government Accounts Department to validate pricing, order control and visibility with the factories, and proper recording for audit purposes and sales report accountability.
 - Order is entered into the ERP System
 - Dealer is notified of order and any special requirements and install instructions
 - Machine is built, inspected and shipped from the Bobcat Factory to the respective delivering Bobcat Dealer
 - Bobcat Dealer will complete the pre-delivery inspection, install ordered parts/accessories and attachments and complete final delivery to government customer and complete initial operator/safety/maintenance training.
 - Bobcat Dealer will submit a signed delivery report notifying Bobcat Company of delivery and acceptance.
 - Bobcat Company or Bobcat Dealer invoices customer

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

Bobcat Company

Yes, Bobcat Company will accept government purchase cards to satisfy payment requirements. Currently, Bobcat Company does not charge any additional fees for credit card payments.

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

Bobcat Company

All Bobcat Skid Steer Loaders, Compact Track Loaders, and Mini-Excavators will include a 24 month/Unlimited hours warranty. All other products to include; Toolcat, Utility Vehicles, Mini-Track Loaders, and Versa-Handlers will include a 12 month/Unlimited hours warranty. (See Attached Warranty Statements)

- Do your warranties cover all products, parts, and labor?
 - **Bobcat Company**
 - Warranties will cover all parts and labor within the specified warranty period.
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
 - **Bobcat Company**
 - Customary to the manufacturing industry, usage limitations such as; length of time or number of month (i.e. 12 months) and/or the number of hours (i.e. 2000 hours). Optional Manufacturers Warranty would also follow the aforementioned number of months/hours methodology.
 - Other limitations or circumstances that would restrict or otherwise create warranty limitations are; abuse, unauthorized alterations; damage; environmental conditions, inadequate maintenance, adjustments, normal wear/tear, consumable items, unauthorized repairs, rentals/loaner units, diagnostic time, freight charges, project/job loss, and clean up time
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
 - **Bobcat Company**
 - Travel time for technicians will not be covered to perform warranty repair.
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?
 - **Bobcat Company**
 - Bobcat Company has nearly 600 independently owned and authorized dealers throughout North America. There are multiple dealers or enterprise locations within each state that will stand ready to perform service and warranty work to best serve the government customers.
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
 - **Bobcat Company**
 - Warranty service for any items made by other manufacturers or not manufactured by Bobcat Company will be passed on to the original equipment manufacturer. Note, all products currently offered in response to this RFP will be covered by the warranty of Bobcat Company.
- What are your proposed exchange and return programs and policies?
 - **Bobcat Company**

- Exchange and returns rarely occur, however in the event that the situation(s) shall arise, Bobcat Company will work with the customer on a case by case basis. It is Bobcat Company's intent to create a world class customer experience and will work diligently with the customer(s) and dealer(s) to quickly provide resolution and minimize any disruption in the customer(s) operations.

6) Describe any service contract options for the items included in your proposal.

○ Bobcat Company

- Service contracts will be only offered by the Bobcat independently owned and authorized dealers
- If so chosen by the customer, service contracts through the Bobcat dealer can be quoted and ordered in conjunction with contract items.

Pricing, Delivery, Audits, and Administrative Fee

7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

- Bobcat Company's product lines fit within the scope of this Sourcewell RFP. Our breadth of products include the following for Sales, Lease and Rental; Skid Steer Loaders, Compact Track Loaders, Compact and Mini Excavators, Mini Track Loaders, Utility Work Machines (Toolcat®), Compact Tractors, Utility Vehicles, and Versa-Handlers. Our product offering will be expanded in 2020 to include Small Articulating Loaders and Compact Wheel Loaders.

8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

- Bobcat Company's pricing model will be a percentage discount off manufacturers suggested list price by product category. (See Bobcat Company Price Pages attached)

9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

- Bobcat Company discounts will range from 16% to 30% off the manufacturers suggested list price depending on product category. Throughout the term of the contract, Bobcat Company will offer additional discount incentives pertinent to manufacturing pressure, discount programs, and market share opportunities. (See attached Bobcat Company Price Pages)

10) The pricing offered in this proposal is

- ☐ a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- ☐ b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- ☐ c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- ☒ d. other than what the Proposer typically offers (please describe).

- Pricing offered in response to this Sourcewell RFP is similar or is better than some pricing offered to other GPOs, Cooperative procurement organizations, or state purchasing departments. Because of the ceiling based pricing, our discount structure offered will allow for best value, better flexibility, better volume discount considerations, not list pricing, market conditions, manufacturing pressures, and positioned to provide more competitive discounts as needed to accommodate budgets or customer situations.

11) Describe any quantity or volume discounts or rebate programs that you offer.

Bobcat Company

- Quantity or volume discounts are available upon request. Like models, factory installed options and attachments with quantities of 3 or more receive favorable discount considerations beginning with 1% additional discount and/or freight cost reductions.

12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

Bobcat Company

- Bobcat Company will allow for “sourced” goods/products or related services or “open market” item or “nonstandard options” to be itemized and offered on Sourcewell member quotes and orders. For example, items such as aftermarket attachments not offered by Bobcat Company will be offered at the dealer price plus 10% and the dealer invoice will be collected for record retention.

13) Identify any total cost of acquisition costs that are NOT included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial/pre-delivery inspection. Identify any parties that impose such costs and their relationship to the Proposer.

Bobcat Company

- Additional total cost of acquisition may include items such as dealer installation of parts and accessories, set up and pre-delivery inspections. Costs are associated with the local dealers shop and labor rates.

14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete travel expense, shipping and delivery program.

Bobcat Company

- Freight costs (varies by product type) from the factory to customer delivery address will be itemized on the quote and paid by the customer, unless otherwise agreed. Units will be shipped from the factory to the nearest assigned dealer for pre-delivery inspection and parts/accessory installation unless unforeseen circumstances warrant a change to this procedure. The dealer will be responsible for making contact with the customer to arrange final delivery within the appropriate delivery times determined by the customer.

15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Bobcat Company

- In situations where delivery is to be made to Alaska, Hawaii, remote parts of Canada, or any offshore delivery the customer will be responsible for the additional freight, air freight, sling load, barge, ferry, and freight forwarding charges to include cargo containers. Additional charges will be reviewed by the customer prior to order and it is customary for Bobcat Company to work with the customer if there is a desired delivery method specified by the customer.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Bobcat Company

- Other than the aforementioned methods of delivery, if a unique delivery situation were to arise Bobcat Company will work closely with the customer to provide the most efficient and cost effective methods.

- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.

Bobcat Company

- From inception of the contract, Sourcewell Contract specific price pages, dealer memorandum of instruction, and ordering instructions will be handled and distributed to the Bobcat Dealers by the Bobcat Company Government Sales Office. Pricing and discounts will be input into the Bobquote System in order to comply with contract discounts and pricing for quoting consistency in accordance to the awarded contract. All orders will be verified and processed by the Bobcat Government Sales Operations staff in order to maintain consistency and audit compliance. Sourcewell Contract quotes and sales orders will be documented on an internal retail report for easy access and filtering to efficiently provide sales data for quarterly reporting to Sourcewell and administrative fee remittance.

- 18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

Bobcat Company

Bobcat Company proposes an administrative fee structure of no more than 1%. This proposed discount will allow Bobcat Company to offer additional incentives to Sourcewell members to better meet the customers constrained budgets and better meet the competitive situations in markets of opportunity.

Industry-Specific Questions

- 19) Describe any industry-specific quality management system certifications obtained by your organization.

Bobcat Company

Bobcat Company hold certificates in accordance ISO 9001-2015 (see attached certificates)

- 20) Describe any environmental management system certifications obtained by your organization.

Bobcat Company

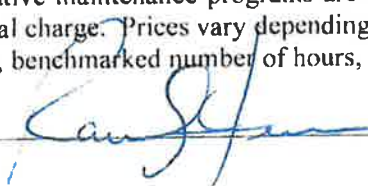
Bobcat Company holds certificates in accordance with ISO 14001 Environmental Management Systems certification (see attached certificate)

- 21) Describe any preventive maintenance programs that your organization offers for the solutions you are proposing in your response.

Bobcat Company

Preventative maintenance programs are available and may be purchased through the local dealer for an additional charge. Prices vary depending on model, level of service program desired (i.e. number of times per year, benchmarked number of hours,

Signature: _____



Date: 3-29-2019



AGENDA ACTION FORM

A Resolution to Purchase Ammunition for the Kingsport Police Department from the Tennessee State Contract

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-246-2022

Work Session: August 22, 2022

First Reading: N/A

Final Adoption: August 23, 2022

Staff Work By: Commander Chambers

Presentation By: Chief Phipps

Recommendation:

Approve the resolution.

Executive Summary:

The police department purchases ammunition on an annual basis to satisfy both the training needs of the department as well as the fulfillment of its duties as it relates to public safety. The cost of ammunition has risen in the past year, thereby necessitating additional monies be expended to purchase the same annual allotment as purchased in previous years. The Tennessee State Contract for ammunition is available for local government agencies to use. This purchase will be made from Gulf States Distributors in the amount of \$61,275.20 on the state ammunition contract. TN Ammunition contract SWC331/55311.

The funding for this purchase was included in the previously approved FY 23 budget.

Attachments:

1. Resolution
2. Quote

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: *W*

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR AMMUNITION FROM GULF STATES DISTRIBUTORS UTILIZING TENNESSEE STATE CONTRACT SWC331/55311 FOR THE KINGSPORT POLICE DEPARTMENT

WHEREAS, staff recommends the purchase of ammunition utilizing Tennessee State Contract #SWC331/55311, for use by Kingsport Police Department; and

WHEREAS, Tennessee Code Annotated section 12-3-1201 permits city to purchase goods under the same terms and conditions as the Central Procurement Office of the State of Tennessee; and

WHEREAS, in order to purchase the ammunition, a purchase order needs to be issued to Gulf States Distributors in the estimated cost of \$61,275.20; and

WHEREAS, funding for this is identified in the previously approved FY 23 budget.

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 for the purchase of ammunition to Gulf States Distributors, utilizing Tennessee State Contract # SWC331/55311, for use by the Kingsport Police Department in the annual estimated amount of \$61,275.20.

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Quote



Gulf States Distributors
6000 East Shirley Lane
P.O. Box 241387 (36124-1387)
Montgomery, AL 36117
3342712010

Order Number: 0198453
Order Date: 7/25/2022

Salesperson: 0030
Customer Number: TNKINGS

Sold To:
City of Kingsport
200 Shelby St
Kingsport, TN 37660-4256

Ship To:
City of Kingsport
200 Shelby St
Kingsport, TN 37660-4256

Customer P.O.		Terms		Confirm To:				
		Net 20 days						
Item Number	Unit			Ordered	Shipped	Back Order	Price	Amount
FEDAE45A	CASE	DropShip:	N	50.00	0.00	0.00	383.04	19,152.00
AE45A .45 230gr FMJ								
SPE53966	CASE	DropShip:	N	10.00	0.00	0.00	488.32	4,883.20
53966 .45 230gr GDHP								
FEDAE223T75	CASE	DropShip:	N	140.00	0.00	0.00	266.00	37,240.00
Federal .223 75gr FMJ								

TN Ammo contract SWC331/55311

Please let me know if you have any questions. Thank you - Geanie

0000204619
110-3003-441-3028

Net Order:	61,275.20
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total:	61,275.20



AGENDA ACTION FORM

A Resolution Awarding the Bid for the Jefferson Elementary School HVAC Project to S.B. White Company, Inc.

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

Action Form No.: AF-252-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: D. Frye

Recommendation:

Approve the resolution.

Executive Summary:

The City of Kingsport for its Kingsport City Schools issued an Invitation to Bid on July 24, 2022, for the replacement of the HVAC system at Jefferson Elementary School. On August 16, 2022, the Procurement Manager received two bids. The bids ranged from \$2,285,000.00 to \$2,400,000.00. Derwin Cartmel, President, Holston Engineering, has reviewed the bids and has recommended that the low bid of \$2,285,000.00 from S.B. White Company, Inc., be accepted.

The total cost of this project will be \$2,542,100.00 (detail given below). Funding will be from ESSER 2.0 and ESSER 3.0.

Architect Fee	\$ 120,000.00
Construction Costs	2,285,000.00
6% Contingency	137,100.00
Total Costs	\$2,542,100.00

It is essential that this contract be awarded as soon as possible in order for this work to be completed by June 1, 2023.

The Board of Education approved this motion on August 17, 2022.

The administration requests the award of the bid to S.B. White Company, Inc., for the Jefferson Elementary School HVAC Replacement Project in the amount of \$2,285,000.00 and authorize a 6% contingency of \$137,100.00.

Attachments:

1. Resolution
2. Engineer's Recommendation

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: *aw*

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

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR THE JEFFERSON
ELEMENTARY SCHOOL HVAC REPLACEMENT PROJECT TO
S.B. WHITE COMPANY, 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 August 16, 2022, for the replacement of the HVAC
system at Jefferson Elementary School; and

WHEREAS, upon review of the bids, the board finds S.B. White Company, 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 an agreement for the Jefferson Elementary School HVAC
Replacement with S.B. White Company, Inc., at a construction cost of \$2,285,000.00; and

WHEREAS, the Board of Education approved this motion on August 17, 2022; and

WHEREAS, funding is available in ESSER 2.0 and ESSER 3.0.

Now therefore,

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

SECTION I. That the bid for the Jefferson Elementary School HVAC Replacement, at a
cost of \$2,285,000.00, is awarded to S.B. White Company, Inc., and the Mayor or in his absence,
incapacity, or failure to act, the Vice-Mayor, is authorized and directed to execute, in a form
approved by the City Attorney and subject to the requirements of Article X, Section 10 of the
Charter of the City of Kingsport, an agreement for the same, to deliver the agreement and take
any and all action as may be required on the part of the city to carry out, give effect to, and
consummate the transactions contemplated by 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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B ROWLETT, III, CITY ATTORNEY



HOLSTON ENGINEERING, INC.

301 Montgomery Street, Suite #4

Johnson City, TN 37604

(423) 926-5991

e-mail: Holston.Engineering@holsteng.com

August 16, 2022

Ms. Sandra Sloan
Kingsport City Schools
400 Clinchfield Street, Ste. 200
Kingsport, TN 37660

Re: Thomas Jefferson Elementary School HVAC Replacement

Dear Sandra:

Regarding the accepted bids for the Thomas Jefferson Elementary School HVAC Replacement, Holston Engineering, Inc. recommends awarding the bid to S. B. White, Inc. for \$2,285,000 (two million two hundred eighty-five thousand dollars).

If you have any questions, please feel free to contact us.

Sincerely,
HOLSTON ENGINEERING, INC.

Derwin E. Cartmel, PE
President



AGENDA ACTION FORM

A Resolution to Approve a Facilities Use Agreement with TNT Sportsplex for Kingsport City Schools and Authorizing the Mayor to Execute the Agreement

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

Action Form No.: AF-244-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: D. Frye

Recommendation:

Approve the resolution.

Executive Summary:

TNT Properties, LLC d/b/a TNT Sportsplex, located on East Main Street, operates a multi-purpose sports facility with multiple courts and/or fields of play for various sports. TNT Sportsplex can provide court space and associated facilities upon which its Dobyns-Bennett High School volleyball teams can conduct practices. Staff recommends approval of the agreement to secure use of the facility.

The term of the agreement is one year with automatic renewals for a maximum of two year successive periods. TNT will guarantee the sole and exclusive use of at least one but no more than three volleyball courts during practice time August through October. Compensation for the use of volleyball courts and associated facilities will be \$15 per hour, per court used. Additional courts and facilities may be used by other athletic teams as space to conduct practices or events during intervals and costs agreeable to both parties.

Attachments:

1. Resolution

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: *aw*

	Y	N	O
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Ottermann	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION TO APPROVE A FACILITY USE AGREEMENT WITH TNT PROPERTIES, LLC D/B/A TNT SPORTSPLEX FOR KINGSPORT CITY SCHOOLS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ANY OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, TNT Properties, LLC d/b/a TNT Sportsplex can provide court space and associated facilities upon which the Dobyns-Bennett High School volleyball teams can conduct practices; and

WHEREAS, use of the facility will provide the Dobyns-Bennett high school volleyball teams to conduct practices during the period in which the Buck Van Huss dome is unavailable; and

WHEREAS, Compensation for the use of volleyball courts and associated facilities will be \$15 per hour, per court used.

Now therefore,

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

SECTION I. That the Facility Use Agreement with TNT Properties, LLC d/b/a TNT Sportsplex, 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 Facility Use Agreement with TNT Properties, LLC d/b/a TNT Sportsplex, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

FACILITY USE AGREEMENT

This Facility Use Agreement ("Agreement"), effective as of this ____ day of August, 2022, between TNT Properties, Inc. d/b/a/ TNT Sportsplex, located in Kingsport, Sullivan County, Tennessee (hereinafter "Licensor") and the City of Kingsport for its Kingsport City Schools (hereinafter "Licensee").

WHEREAS, Licensor is the owner and operator of a multi-purpose sports facility located at 600 East Main Street, Kingsport (the "Facility"), which offers multiple courts and/or fields of play for various sports; and

WHEREAS, Licensee is in need of court space and associated facilities upon which its Dobyns-Bennett High School volleyball teams can conduct practices; and

WHEREAS, additionally Licensee seeks to secure court space and associated facilities which other athletic teams may conduct practices or events.

NOW, THEREFORE, in and for the consideration of the promises and covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, Licensor and Licensee agree as follows:

1. **Term of Agreement.** The term of this Agreement shall commence as of the effective date set forth herein and shall continue for a period of one (1) year, ending ____ August, 2023 (the "Term"). The Agreement will automatically renew for a maximum of two (2) one-year successive periods (each

a "Renewal Term") unless either party provides written notice to the other of its intention not to renew at least thirty (30) days prior to end of the Term or any Renewal Term.

2. Court Use. Licensors grants Licensee the sole and exclusive use of three (3) volleyball courts from 3:00 p.m. until 6:00 p.m., Monday through Friday, commencing on August 8, 2022 and expiring on October 14, 2022 during the Term and each Renewal Term of this Agreement. If Licensee decides not to use the courts during its reserved time slots it may give Licensors reasonable notice of such, and Licensors will attempt to grant use of the unused courts to another paying user. If Licensors successfully reserves and collects a use fee from another user of Licensee's used court use block it will credit Licensee the amount of that fee collected by the other user.

3. Fixtures and Facilities. Licensors shall ensure the presence of the necessary fixtures for volleyball play such as netting, court markings, access to adequate restroom and changing facilities to accommodate Licensee students, necessary staff to allow Licensee access to the complex and to secure the complex upon Licensee's departure following use of the courts and otherwise maintain the facility in accordance with state law and local ordinances and keep the same in suitable working order for use by Licensee.

4. Equipment. Licensee or its students shall be responsible for necessary equipment to include but not necessarily limited to volleyballs and protective equipment for players.

5. Use Fee. Licensee agrees to compensate Licensors for the use of volleyball courts and associated facilities at the rate of \$15 per hour, per volleyball court. In no event shall Licensee compensate Licensors at a rate that exceeds \$45 per hour, unless Licensee rents additional courts or facilities pursuant to Section 7 herein. The Use Fee shall constitute the sole and exclusive compensation owed Licensors by Licensee for use of the volleyball courts. Notwithstanding the foregoing, the Use Fee does not include additional requested services or materials by Licensors, including, but not limited to equipment, personnel, utilities, security, catering, communications, cleaning services, etc.

6. Invoicing. Licensors shall submit periodic invoices in a form consistent with Licensee's needs. Invoices shall indicate the period of time to which the invoice applies and the number of hours of court time assessed against Licensee. Invoices are to be signed and certified as to their accuracy. Licensee will promptly review invoices and pay any undisputed amounts within 30 days of the receipt thereof. Licensee shall have ten (10) days from the receipt of an invoice to contest any amounts claimed. Invoices shall be sent to:

City of Kingsport

Attention: Finance Department

400 Clinchfield Street, Suite 200

Kingsport, TN 37660

7. Additional Courts and Facilities. To the extent Licensors has other athletic courts and associated facilities, Licensee may secure the use thereof during intervals and at costs as may be agreed upon by the parties, which may be memorialized through the issuance of a purchase order by Licensee to Licensors. However, said purchase order shall only address the intervals of use and the Use Fee but shall not otherwise alter any of the terms and conditions set forth herein. Licensors shall submit invoices for any additional courts or facilities in accordance with Section 6 herein.

8. Default and Remedies.

a. Licensee shall be declared to be in default in the event it:

- i. Fails to perform or comply with any of the terms and conditions of this Agreement;
- ii. Fails to use the Facility in the manner and for the purposes set forth herein.

b. Upon Licensee's default, Licensors shall provide Licensee of written notice of said default and afford Licensee a reasonable opportunity to cure said default which in no event shall be less than fifteen (15) days. Should Licensee fail to cure the alleged default Licensors may:

- i. Revoke Licensee's authority to use the complex and terminate the Agreement.
- ii. Retain all fees paid by Licensee;
- iii. Apply any sums held by Licensors for Licensee to satisfy Licensee's obligation;
- iv. Exercise such other remedies as may be available to Licensors, whether in law, equity or otherwise set forth in this Agreement, however in no event shall Licensee's liability for any default exceed the minimum fee chargeable by Licensors pursuant to this agreement.

c. Failure by Licensors to fulfill the obligations set forth herein shall constitute a breach of this Agreement if Licensors fails to cure the alleged breach with fifteen (15) days after it receives from Licensee written notice and a reasonable description of the nature of the breach. Failure of Licensors to cure the alleged breach shall result in termination of this Agreement. Licensee shall have no further obligations or responsibilities under this Agreement and in the event any usage fee has been pre-paid by Licensee, Licensors shall reimburse Licensee for any unused portion of that pre-paid usage fee. Additionally, Licensee may pursue any other remedies available to it under law or equity.

9. Continuation Conditional on Funding. Licensor acknowledges that Licensee is a governmental entity, and the validity of the Agreement is based upon the availability of public funding under its authority. In the event Licensee fails to appropriate funds or make monies available for any fiscal year covered by the term of the Agreement [including, any subsequent purchase orders for additional courts] the Agreement shall be terminated on the last day of the fiscal year for which funds were appropriated or monies made available for such purposes without liability to Licensee, and such termination shall not be a breach of the Agreement, and any unused payment made to Licensor shall be returned to Licensee.

10. Modification. This Agreement shall only be modified by written agreement which shall be signed by both parties.

11. Restrictions. Common areas of the Facility, including but not limited to adjacent facilities, courts and fields, entrances, passages, halls, corridors, stairways, elevators, escalator, walkways, and exits shall not be obstructed by Licensee, its officers, agents, employees, or invitees, nor used by them for any purpose other than ingress or egress, or that which is specifically authorized in writing by Licensor. Licensee shall not use, nor permit the licensed premises to be used, for any purpose in violation of any law or ordinance or in any manner that will constitute a nuisance, nor for any hazardous purpose.

12. Compliance with Law. Licensee will endeavor to conform its use of the complex in compliance with federal and state law as well as local ordinance. Should Licensor observe any use of the complex which in the opinion of Licensor, does not comply with law or ordinance it shall notify Licensee supervisory personnel as well as the athletic director for Licensee.

13. Force Majeure. If the Facility is damaged from any cause whatsoever or if any casualty or unforeseeable cause beyond the control of Licensor including, without limitation, acts of God, fires, floods, epidemics, quarantine restrictions, strikes, failure of public utilities, or unusually severe weather, prevents occupancy and use, or either, as granted in this Agreement, Licensor is hereby released by Licensee from any damage so caused thereby.

14. Insurance. Licensee carries liability insurance coverage through Public Entity Partners, a pool of local government entities, as permitted under the Tennessee Governmental Tort Liability Act, T.C. A. § 29-20-101, et seq. for its General, Law Enforcement, Errors or Omission, and Automobile tort exposures. Licensee does not have the authority to waive its governmental immunity beyond the limits of liability in the Governmental Tort Liability Act. Licensee shall provide to Licensor proof of its insurance coverage for the activities contemplated at the Facility, including proof of workers compensation insurance covering all of its employees and or agents who are participating in the activities at the Facility.

15. Management and Supervision of Activities. Licensee acknowledges and agrees that it will be in control of, and properly supervise all participants in its activities at the Facility. Licensee further agrees that it will secure written waivers from all participants (including coaches and any team support personnel) in its activities at the Facility, releasing Licensor and Sports Facilities Management, LLC. The failure of Licensee to secure such waivers shall be considered a material breach of this Agreement.

16. Defacement. Licensee shall not do, cause or permit anything to be done that may injure or deface the Facility or any equipment or furnishings therein. Licensee will not attach nails, hooks, tacks, screws, tape or any other device to any part of the Facility and will not make or allow to be made any alteration of any kind to the Facility without the express written consent of the Licensor.

17. Notice. Any notices required pursuant to this agreement shall be provided to the following by first class mail or electronic mail with an acknowledgment of receipt addressed as follows:

TNT Properties, Inc. d/b/a/ TNT Sportsplex:

Attn: Mark Tincher
600 East Main Street Kingsport, Tennessee
37760

City of Kingsport for its Kingsport City Schools:

Dr. Jeff Moorhouse
400 Clinchfield Street, Ste. 200
Kingsport, TN 37660
Email: jmoorhouse@k12k.com
With a copy to:

Office of the City Attorney
415 Broad Street
Kingsport, TN 37660
bartrowlett@kingsporttn.gov

18. **Property Interest.** Licensee understands and agrees that this Agreement does not confer any right, title or interest in the facility, fixtures, or equipment, but merely grants Licensee a personal privilege of use revocable on the terms outlined herein.
19. **Surrender of Premises.** Licensee shall quit and surrender the Facility, fixtures and all equipment contained therein to Licensor on or before the end date in the same condition as on the start date, normal wear and tear excepted.
20. **Non-exclusivity.** Nothing in this Agreement shall be construed to prevent Licensee from securing the use of similar facilities as those offered pursuant to this agreement.
21. **Assignment.** Neither Licensee nor Licensor shall assign any rights or responsibilities set forth herein, except upon written agreement executed by the parties.
22. **Binding Effect.** Except as expressly provided for pursuant to Paragraph 7. herein, unilateral modification or amendment of the Agreement is prohibited. Any amendment or modification of the Agreement is binding only if it is in writing and properly executed by the authorized representatives of the parties hereto, including attestation by City's city recorder and approved as to form by City's city attorney.
23. **Severability.** If any provision contained in this Agreement is held invalid, illegal, or unenforceable, all remaining provisions shall continue in full force and effect.
24. **Headings.** The headings of the section contained herein are for convenience only and do not define, limit, or construe the contents of such sections or this Agreement.
25. **Governing Law.** The parties agree that this Agreement shall be construed under the laws of the State of Tennessee.

[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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

A Resolution of an Amendment to the Central Technologies Agreement for the KCS Surveillance Camera Project

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

Action Form No.: AF-243-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: D. Frye

Recommendation:

Approve the resolution.

Executive Summary:

On June 22, 2022, the City of Kingsport for its Kingsport City Schools entered into an agreement for services with Central Knox Inc. d/b/a Central Technologies. At the August 3, 2022, Board of Mayor and Aldermen meeting, approval was given to amend the contract to add the remaining schools in the district and to require performance and payment bonds. Staff deemed performance and payment bonds necessary based on the increased cost of the contract.

The cost of the project increased due to the requirement that Central Technologies secure these bonds. An amendment to the contract is necessary to account for the increased cost, however this information was not provided at the time of the amendment which was approved on August 3, 2022.

Funding will come from the School Security/Technology Upgrades Project GP2220.

Attachments:

1. Resolution
2. Amendment
3. Quote

Funding source appropriate and funds are available: *fm*

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: *sw*

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

RESOLUTION NO. _____

A RESOLUTION TO AMEND THE AGREEMENT WITH CENTRAL TECHNOLOGIES, INC., FOR THE KINGSPORT CITY SCHOOLS SURVEILLANCE CAMERA SYSTEM UPDATE PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY DOCUMENTS

WHEREAS, an agreement was signed between Central Knox Inc. d/b/a Central Technologies, Inc., and the City for the Kingsport City Schools Surveillance Camera Upgrade Project on June 22, 2022; and

WHEREAS, an amendment was approved to include all schools in the school system and the requirement for performance and payment bonds; and

WHEREAS, due to the bond requirement vendor has requested a change to the contract sum based on increased cost as a result of the requirement that surety be provided which was requested after the amendment to the agreement was approved on August 3, 2022; and

WHEREAS, the amount of the increase to the contract is \$29,212.00; and

WHEREAS, the Board of Education approved the amendment on August 23, 2022; and

WHEREAS, funding is available in the security/technology upgrades account project GP2220.

Now therefore,

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

SECTION I. That an amendment to the agreement with Central Knox, Inc., d/b/a Central Technologies, Inc., in the amount of \$29,212.00 is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10, of the Charter of the City of Kingsport, an amendment to the agreement with Central Knox Inc. d/b/a Central Technologies, Inc., and all other documents necessary and proper, and to take such acts as necessary, to amend 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 public.

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

ADOPTED this the 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B ROWLETT, III, CITY ATTORNEY



We have prepared a quote for you

P&P Bonds

Quote # 012568
Version 1

Prepared for:

Kingsport City Schools

Sandra Sloan
ssloan@k12k.com

6101 Industrial Heights Dr NW
Knoxville, TN 37909
centralinc.com
800-315-4132



CENTRAL
Technologies, Inc.

Products

Description		Price	Qty	Ext. Price
BOND	Payment & Performance Bond - \$973,708.00	\$29,212.00	1	\$29,212.00

Subtotal: **\$29,212.00**

6101 Industrial Heights Dr NW
Knoxville, TN 37909
centralinc.com
800-315-4132



CENTRAL
Technologies, Inc.

P&P Bonds

Prepared by:

Central Technologies Inc

Joe Alissandrello
423-580-3322
Fax 865-312-8190
joe@centralinc.com

Prepared for:

Kingsport City Schools

400 Clinchfield Street
Suite 200
Kingsport, TN 37660
Sandra Sloan
(423) 378-2100
ssloan@k12k.com

Quote Information:

Quote #: 012568

Version: 1

Delivery Date: 08/08/2022

Expiration Date: 11/06/2022

Quote Summary

Description	Amount
Products	\$29,212.00
Total: \$29,212.00	

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Central Technologies Inc

Kingsport City Schools

Signature: _____

Name: Joe Alissandrello

Title: Senior Account Manager

Date: 08/08/2022

Signature: _____

Name: Sandra Sloan

Date: _____



AGENDA ACTION FORM

A Resolution Approving an Agreement with Environmental Systems Research Institute (ESRI) for GIS Mapping Software

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

Action Form No.: AF-250-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Jake White
 Presentation By: R. McReynolds

Recommendation:

Approve the resolution.

Executive Summary:

In September 2019 the BMA approved to renew the three (3) year license agreement with ESRI as a continuation of the GIS mapping software for the period of 2019 – 2022 (AF-199-2019). This agreement is an Enterprise License Agreement (ELA) and expands the City's GIS offerings and integrations with third party applications such as Cartegraph.

The ELA provides an unlimited quantity of licenses for the most common ESRI software products, plus a limited quantity of other selected licenses; 250 ArcGIS Online seats (necessary for functionality of Cartegraph and other web GIS applications) a cloud-based application for sharing maps, geographic data, and authenticating named users; public access to interactive web maps, published on the City's website; and internal access to mobile field data collection applications, utilizing GPS locations.

It is requested to renew the three (3) year license agreement with ESRI as a continuation of the GIS software for the period of 2022 – 2025. Funding is available and identified in the GIS line item account number 110 2508 438 9006 to be paid annually in the amount of \$55,000.00 for a total amount of \$165,000.00.

Attachments:

1. Resolution w/ESRI Software License Agreement
2. Sole Source 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: *mw*

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AGREEMENT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE FOR GIS MAPPING SOFTWARE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city has been using Environmental Systems Research Institute (ESRI) geospatial mapping software (GIS) since 1992, and updated the programs in 2016; and

WHEREAS, the city would like to enter into an agreement to continue the services for a three (3) year period of 2022-2025; and

WHEREAS, to ensure continuity, Environmental Systems Research Institute (ESRI) geospatial mapping software has been deemed as a sole source by the city manager; and

WHEREAS, ESRI's GIS software is currently used extensively in public works, public safety, development services, and many other city departments; and

WHEREAS, funding for the \$55,000.00 annual cost of the services is available in 110-2508-438-9006.

Now therefore,

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

SECTION I. That an agreement with Environmental Systems Research Institute (ESRI) for geospatial mapping software 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 agreement with Environmental Systems Research Institute (ESRI) for geospatial mapping software, and all other documents necessary and proper, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

Quotation # Q-45591

Date: August 5, 2022

Customer# 6975 Contract#

City of Kingsport Development Services 225 W Center St Kingsport, TN 37660

ATTENTION: Jake White PHONE: (423)224-2465

EMAIL: jakewhite@kingsporttn.gov

Material	Qty	Term	Unit Price	Total
168179	1	Year 1	\$55,000.00	\$55,000.00
		Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement		
168179	1	Year 2	\$55,000.00	\$55,000.00
		Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement		
168179	1	Year 3	\$55,000.00	\$55,000.00

Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement

Subtotal: \$165,000.00
Sales Tax: \$0.00
Estimated Shipping and Handling (2 Day Delivery): \$0.00
Contract Price Adjust: \$0.00
Total: \$165,000.00

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://go.esri.com/MAPS> apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

This offer is limited to the terms and conditions incorporated and attached herein.

SMALL ENTERPRISE AGREEMENT COUNTY AND MUNICIPALITY GOVERNMENT
(E214-3)

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **EnvironmentalSystems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

Table A
List of Products

Uncapped Quantities

Desktop Software and Extensions (Single Use) ArcGIS Desktop Advanced

ArcGIS Desktop Standard ArcGIS Desktop Basic

ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions ArcGIS Enterprise and Workgroup (Advanced and Standard) ArcGIS Monitor

ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager
Enterprise Additional Capability Servers

ArcGIS Image Server

Developer Tools

ArcGIS Engine

ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine
 Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics
 ArcGIS Runtime (Standard)
 ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS DeveloperTwo (2) ArcGIS CityEngine Single Use
 Licenses
 250 ArcGIS Online Viewers 250 ArcGIS Online Creators
 37,500 ArcGIS Online Service Credits250 ArcGIS Enterprise Creators
 5 ArcGIS Insights in ArcGIS Enterprise5 ArcGIS Insights in ArcGIS Online
 50 ArcGIS Tracker for ArcGIS Enterprise50 ArcGIS Tracker for ArcGIS Online
 4 ArcGIS Parcel Fabric User Type Extensions (Enterprise) 4 ArcGIS Utility Network User Type
 Extensions (Enterprise)4 ArcGIS Trace Network User Type Extensions

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	4
Number of Tier 1 Help Desk individuals authorized to call Esri	4
Maximum number of sets of backup media, if requested*	2
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

*Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL**

GOVERN. This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

[Acknowledgements Deleted for Inclusion in this Resolution]

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at <https://www.esri.com/en-us/legal/terms/full-master-agreement> and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or License Agreement No. 310878 dated 11/3/2016 that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0 —ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy

quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0 —TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-owned entities, either party may terminate this Agreement before any subsequent year if Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0 —PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <https://support.esri.com/en/other-resources/product-life-cycle>. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <https://www.esri.com/en-us/legal/terms/maintenance>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.

2. The Tier 1 Help Desk will be fully trained in the Products.

3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.

4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.

5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.

6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.

2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.

3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.

4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0 —ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0 —ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee up to thirty (30) calendar days before the annual anniversary date for each year.

b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri reserves the right to suspend Customer's access to and use of Products if Customer fails to pay any undisputed amount owed on or before its due date. Esri may charge Customer interest at a monthly rate equal to the lesser of one percent (1.0%) per month or the maximum rate permitted by applicable law on any overdue fees plus all expenses of collection for any overdue balance that remains unpaid ten (10) days after Esri has notified Customer of the past-due balance.

c. Esri's federal ID number is 95-2775-732.

d. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.

b. The following information will be included in each Ordering Document:

(1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses

(2) Order number

(3) Applicable annual payment due

9.0 —MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "Ownership Change"). There will be no decrease in Fee as a result of any Ownership Change.

9.1 If an Ownership Change increases the cumulative program count beyond the maximum level

for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.

9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

Product-Specific Terms of Use

The following list identifies additional terms of use that apply to specific Products. Each Product listing identifies one or more footnotes that apply to that Product. These footnotes supplement the terms of this Agreement. The definitions for each footnote follow the list. Unless otherwise noted in the applicable Ordering Document, extensions to a Product follow the same scope of use as that granted for the corresponding Product. In addition to the definitions within the Master Agreement, the following definitions will apply to the Product-Specific Terms of Use:

- "Authentication" means using any Esri provided mechanism that enables access to ArcGIS Platform location services. See Security and See Security and Authentication documentation (<https://developers.arcgis.com/documentation/mapping-apis-and-services/security/>) for current list of Authentication mechanisms

Desktop Products

- ArcGIS Desktop (Advanced, Standard, or Basic) (26)
- ArcGIS Earth (20; 65)
- ArcGIS Explorer Desktop (20)
- ArcGIS for AutoCAD (20)
- ArcPad (13)
- ArcReader (20)
- ArcGIS for Personal Use (3; 26)
- ArcGIS CityEngine (78)

Server Products

- ArcGIS Enterprise
- Standard or Advanced (17; 21; 23; 31; 87)
- Workgroup Standard or Advanced (21; 23; 26; 28; 29; 30; 87)
- ArcGIS GIS Server (Standard or Advanced) (31)
- ArcGIS GIS Server Basic (31; 39)
- ArcGIS GIS Server Workgroup (Standard or Advanced) (26; 28; 29; 30)
- ArcGIS GIS Server Workgroup Basic (26; 39)
- ArcGIS Maritime (2)
- ArcGIS Enterprise Optional Capability Servers:
- ArcGIS Image Server, ArcGIS GeoEvent Server, ArcGIS GeoAnalytics Server, and ArcGIS Notebook Server Standard (31)
- ArcGIS Enterprise Workgroup Optional Capability Servers:
- ArcGIS Image Server, ArcGIS GeoEvent Server, ArcGIS GeoAnalytics Server, and ArcGIS Notebook Server Standard (4)
- ArcGIS Business Analyst Enterprise (17; 21; 23; 31; 87)
- ArcGIS World Geocoder Basic (67)

Developer Products

- ArcGIS Developer Subscription
- All Plans (16; 24; 26; 66; 68; 77; 89; 91; 97; 103)
- Active subscriptions with an effective start date prior to January 27, 2021 (79)
- Active subscriptions with an effective start date after January 26, 2021 (88)
- Builder, Professional, Premium, or Enterprise Plans (77, 92)
- Essentials Plan (90)
- ArcGIS AppStudio Developer Edition (11; 16; 19)
- ArcGIS Runtime SDK for Android, iOS, Java, macOS, .NET, Qt, or WPF (16; 19)
- ArcGIS Engine Developer Kit and Extensions (16; 19; 22; 26)
- ArcGIS API for JavaScript (16; 64)
- ArcGIS CityEngine SOK and Procedural Runtime (16; 19)
- ArcGIS Runtime Deployment License for Android, iOS, Java, Mac OS X, .NET, Qt, or WPF
- Lite (15)
- Basic or Standard (1; 14; 15; 18)
- Advanced (14; 15; 18)

- ArcGIS Engine Deployment License for Windows/Linux and Extensions (15; 22; 26)
- Esri File Geodatabase API (47)

Mobile

- ArcGIS Navigator (14)

Other

- ArcGIS Hub (85)
- ArcGIS Indoors (86)
- ArcGIS Indoors Maps (99; 100; 101)
- ArcGIS Indoors Spaces (100; 101)
- ArcGIS IPS(100; 101)
- ArcGIS Maps for Adobe Creative Cloud Complimentary user (74)
- ArcGIS Insights (17)
- Site Scan for ArcGIS Operator license (32; 33)
- ArcGIS GeoAnalytics Engine
- Connected, Additional Core-Hours Plans (103)
- Disconnected Plan (27, 102)

Online Services

- ArcGIS Online subscriptions are available through multiple Selling Programs:
- Commercial Retail, EAs; and Government Programs (23; 66; 68; 69; 70; 82; 96; 103)
- Education Programs (23; 66; 68; 69; 70; 71; 82; 96; 103)
- Non-profit Programs (23; 66; 68; 69; 70; 71; 82; 96; 103)
- Public Plan (66; 68; 74; 75; 76; 80)

Customers under the following categories have these additional rights:

- Commercial Retail (72)
- enterprise agreements (72)
- Government (72)
- NGO/NPO (72)
- Press/Media Programs (72)
- Education Programs (71)
- ArcGIS AEC Project Delivery Subscription (83)
- ArcGIS Velocity (103)

Footnotes:

1. May not be used to edit an enterprise geodatabase via Direct Connect.
2. Not for use in navigation.
3. Licensed for personal, noncommercial use only.
4. -Limited to 1 four-core server.
- Can be installed on a separate machine.
- 5-10. Reserved.
11. Applications built with ArcGIS AppStudio Developer Edition are subject to the terms of use for ArcGIS Runtime Deployment License.
12. Reserved.
13. Licensed as a Dual Use License.
14. May be used for navigational purposes.
15. Licensed as a Deployment License.
16. Customer may use the SDKs or APIs to create Value-Added Applications and distribute and license those Value-Added Applications to its end users to use anywhere not prohibited under applicable export regulations.
17. Customer shall not redistribute Oracle Instant Client libraries or their documentation that is included with this Product. Oracle is a third-party beneficiary of this Agreement solely with respect to Customer's use of the Oracle Instant Client libraries. The Uniform Computer Information Transaction Act (UCITA) shall not apply to Customer's use of the Oracle Instant Client libraries.
18. The Deployment License is per Value-Added Application per computer for stand-alone applications.
19. License may not be used to develop Internet or server-based Value-Added Applications.
20. Licensed as a Redistribution License.
21. See Master Agreement <https://www.esri.com/legal/software-license> for additional terms of use for Named User Licenses.
22. a. An end user must acquire a license in either ArcGtS Engine for Windows/Linux Software or other ArcGIS Desktop Software (Basic, Standard, or Advanced) to obtain the right to run an ArcGIS Engine application on 1 computer; and

b. The ArcGIS Engine for Windows/Linux extensions shall not be used in combination with ArcGIS Desktop Software to run ArcGIS Engine Value-Added Applications. A single user can have multiple ArcGIS Engine Value-Added Applications installed on 1 computer for use only by that end user.

23. System to System Communication

a. Customer may use a basic service login to enable one-way, read-only, system-to-system communications from ArcGIS Enterprise or ArcGIS Online to other third-party, enterprise business system(s) in the customer's organization. Customer may use a Viewer Named User Credential or Level 1 Named User Credential as a basic service login until Esri implements an actual service login credential. A specific Viewer Named User Credential or Level 1 Named User Credential used as a basic service login credential may only be used for system-to-system integration purposes and may not also be used by a Named User to access the system.

b. Customer may use a standard service login to enable two-way, read-write, system-to-system communications between ArcGIS Enterprise or ArcGIS Online and other third-party, enterprise business system(s) in the customer's organization. Customer may use an Editor (or higher) Named User Credential or Level 2 Named User Credential as a standard service login until Esri implements an actual service login credential. A specific Editor (or higher) Named User Credential or Level 2 Named User Credential used as a standard service login credential may only be used for system-to-system integration purposes and may not also be used by a Named User to access the system.

24. Software may be used only for the purposes of development, testing, and demonstration of a prototype Value-Added Application and creating map caches. Customer may use Value-Added Applications and map caches with ArcGIS Enterprise Staging Server Licenses and Deployment Server Licenses. Software and Data may be installed on multiple computers for use by any ArcGIS Developer Subscribers with Builder or higher plan subscriptions; all other Software is licensed as a Single Use License.

25. Reserved.

26. The geodatabase is restricted to 10 gigabytes of Customer's data.

27. May not be used to generate revenue by providing services to third parties.

28. Use is limited to 10 concurrent end users of applications other than ArcGIS Enterprise Workgroup or ArcGIS GIS Server Workgroup applications. This restriction includes use of ArcGIS Desktop Software, ArcGIS Engine Software, and third-party applications that connect directly to any ArcGIS Enterprise Workgroup or ArcGIS GIS Server Workgroup geodatabase. There are no limitations on the number of connections from web applications.

29. Software requires a supported version of SQL Server Express. Supported versions are listed with the system requirements for the product on the Esri website.

30. Use is restricted to a maximum of 10 gigabytes of Customer's data. All components must be installed on a single server.

31. Includes a Failover License.

32. The use of this Software does not include a pilot's license (e.g., FAA, EASA, etc.) to operate a drone.

33. Customer may only use online storage provided with this Software to store Customer Content collected or processed through this Software.

34-38. Reserved.

39. Any editing functionality included with ArcGIS GIS Server is not permitted for use with ArcGIS GIS Server Basic and ArcGIS GIS Server Workgroup Basic.

40-46. Reserved.

47. Customer may develop and distribute Value-Added Applications that use Esri File Geodatabase API to Customer's end users.

48-63. Reserved.

64. Value-Added Applications for web deployment must be used in conjunction with other Esri Products. Third-party technologies may also be used in conjunction with Value-Added Applications as long as the Value-Added Applications are always used in conjunction with other Esri Product(s).

65. May only be used in conjunction with other Esri Product(s). Third-party technologies may also be used in conjunction with ArcGIS Earth as long as ArcGIS Earth is always used in conjunction with other Esri Products.

66. Only Customers with an active Online Services subscription may store geocoded results generated by World Geocoding Service.

67. Limited to 250,000,000 geocodes per annual subscription.

68. Customer may use the data accessible through Infographics Service for display purposes only and may not save any data accessible through this service.

69. May be used for any business purpose of Customer's organization.

70. May be used for development and test purposes for Customer's organization.

71. May be used for teaching purposes in educational organizations.

72. May be used for the internal business purposes of Customer's organization.
73. Reserved.
74. May be used for personal use.
75. Customer may enable third-party use of Value-Added Applications only by publicly sharing the Value- Added Application(s) using Sharing Tools. Customer may not use this subscription to power a Value- Added Application for its own internal business use unless Customer is an educational institution using the Value-Added Application for teaching purposes only, a qualified NGO/NPO organization, or a media or press organization.
76. Customer is not permitted to create private groups or participate in any private groups.
77. Includes a Commercial App Deployment license.
- A Commercial App Deployment license is required when:
 - Customer deploys revenue-generating Value-Added Applications that are not for use solely with an ArcGIS Online or ArcGIS Enterprise license and have not yet migrated to use ArcGIS Platform location services Authentication.
 - A Commercial App Deployment license is not required when:
 - Customer deploys revenue-generating Value-Added Applications solely for use with an ArcGIS Online and/or ArcGIS Enterprise license. Such Value-Added Applications are not required to use ArcGIS Platform location services Authentication.
78. Includes a Commercial App Deployment license.
79. Each subscription is limited to 1,000,000 geosearch transactions per month in conjunction with Customer's subscription. Transactions include both basemap data and geocode search transactions. One basemap data transaction is equivalent to eight 256x256 tile requests. One geocode search transaction is equivalent to one address or place. If the results are stored in any manner such as after batch geocoding, the stored results are not counted toward the transaction limit. However, storage does consume Service Credits. For transactions greater the 1,000,000 per month, call Esri Sales or your local distributor for details.
80. May permit registered students of an education institution to directly access the Online Services and share a single subscription between more than 1 registered student for teaching purposes only.
81. Reserved.
82. A Named User may embed its Named User Credential in an ArcGIS API for Python script solely for the purpose of automating a workflow to be used exclusively by the Named User whose Named User Credential is embedded in the script.
83. Customer must use a separate AEC Project Delivery Subscription for each Customer client ("Client"). Customer may (i) use the AEC Project Delivery Subscription solely to collaborate on project work with its Client; and (ii) provide Client with Named User access to the AEC Project Delivery Subscription to enable Client to access the AEC Project Delivery Subscription to collaborate on project work that Customer performs for Client. Client may not use the Named User License for any other purpose. Customer is solely responsible for Client's compliance with these terms of use and will ensure that Client stops using the AEC Project Delivery Subscription when the project ends.
84. Reserved.
85. Software licenses and subscriptions included with ArcGIS Hub may only be used to support the community initiatives enabled by ArcGIS Hub. Customer may allow 3rd parties to be Named Users of ArcGIS Hub for the sole purpose of engaging in community activities. Customers may allow employees, agents, consultants, or contractors to be Named Users of ArcGIS Hub for the sole purpose of administering, configuring, maintaining, and supporting community initiatives through ArcGIS Hub. No other use of software licenses and subscriptions included with ArcGIS Hub is permitted.
86. Customer may use the software licenses and subscriptions included with ArcGIS Indoors solely to enable the capabilities of ArcGIS Indoors as defined in the ArcGIS Indoors Documentation. No other use of software licenses and subscriptions included with ArcGIS Indoors is permitted.
87. Accessing Parcel Fabric services provided by ArcGIS Enterprise is prohibited except through ArcGIS Pro Standard and ArcGIS Pro Advanced.
88. Subscription limits are determined as defined by the available Service Request Plans.
89. Customer may distribute directly, or through its sales channels, revenue-generating Value-Added Applications, that access ArcGIS Platform location services through Authentication, to third parties. All revenue-generating Value-Added Applications are required to use Authentication when accessing ArcGIS Platform location services. Except as set forth in footnote 77 above, Customers who are in the process of migrating their revenue-generating Value-Added Applications to use ArcGIS Platform location services must have a Commercial App Deployment license until the migration to ArcGIS Platform location services is complete.

90. Customer may have multiple subscriptions within their organization for development and test purposes. Customer may only use one subscription within their organization for use with deployed Value-Added Applications.
91. Application migration-a developer who has Value-Added Applications built with:
- a. The client APIs (including JavaScript 4.x and Runtime SDKs (any version), REST, Esri's open source mapping libraries, supported 3rd party open source mapping libraries) is required to use the ArcGIS Platform location services in their applications by April 30, 2022.
 - b. The JavaScript 3.x API are required to use the ArcGIS Platform location services in their applications by December 31, 2022
92. Customer is only permitted to create private groups or participate in private groups within the development and test ArcGIS Online Organization Subscription included with the ArcGIS Developer Subscription.
93. Reserved.
94. Reserved.
95. Reserved.
96. Customer may use ArcGIS Image services for interactive, non-programmatic access by Named Users only. Programmatic use of the ArcGIS Image services (e.g., batch classification, deep learning, etc., or exporting volumes of data larger than 10MB at a time) are not permitted.
97. Customer's end users who are prompted for an API key for use with a third party's Value-Added Application must generate such API keys through an ArcGIS Developer Subscription. API keys generated through an ArcGIS Online account are not permitted in this scenario.
98. Reserved.
99. The user types included with ArcGIS Indoors Maps are licensed solely for use to enable the capabilities as defined in the product documentation for ArcGIS Indoors Maps, ArcGIS Indoors Spaces, and ArcGIS IPS.
100. Customer may only develop Value-Added Applications for use by user types provided with ArcGIS Indoors Maps with functionality relating to indoor mapping, way finding, navigation, routing, or positioning.
101. An ArcGIS Indoors Spaces license is required to use either Workspace Reservations or Space Planner.
102. Each Disconnected Plan is limited to one production cluster.
- Includes Online Services, or capacity, that can be utilized through a consumption model. Customer may purchase additional subscription options as needed to enable the continued use of applicable Online Services or capacity. Esri will provide Customer's subscription account administrator with advanced notification of subscription consumption and expiration. Esri reserves the right to suspend Customer's access to Online Services or capacity, when subscription consumption reaches 100 percent of total allocated or pre-paid capacity or Online Services. If overages are enabled, Esri will invoice monthly in arrears and Customer is responsible for paying the associated costs incurred at the applicable rates. Esri reserves the right to suspend Customer's access to Esri Offerings if Customer has a past due amount. Esri will promptly restore Customer's access to Esri Offerings once Customer funds access to the Esri Offerings.

Master Agreement Products and Services
Revised April 1, 2022

IMPORTANT-READ CAREFULLY

Unless superseded by a signed license agreement between you and Esri, Esri is willing to provide Esri Offerings and Services to you only if you accept all terms and conditions contained in this Agreement as the sole and final agreement of the parties regarding your acquisition of these Esri Offerings and Services. Please read the terms and conditions carefully. You may not use the Esri Offerings unless you agree to the terms and conditions of the Agreement. Your access and use of Esri Offerings, or Services, constitutes your acceptance of the terms and conditions of this Agreement. If you do not agree, contact your local sales representative prior to making your purchase.

This Master Agreement ("Agreement") is between you ("Customer") and Environmental Systems Research Institute, Inc. ("Esri"), a California corporation with a place of business at 380 New York Street, Redlands, California 92373-8100 USA.

Attachment A contains definitions of capitalized terms used throughout this Agreement. Each section of this Agreement may include additional definitions that are used exclusively within that section.

1.0 GENERAL GRANT OF RIGHTS AND RESTRICTIONS

1.1 Grant of Rights. In consideration of Customer's payment of all applicable fees and in accordance with this Agreement, Esri

- a. Provides Services as set forth in this Agreement;
- b. Grants to Customer a nonexclusive, nontransferable right and license or subscription to

access and use Esri Offerings as set forth in the Specifications and applicable Ordering Documents; and

c. Authorizes Customer to copy and make derivative works of the Documentation for Customer's own internal use in conjunction with Customer's authorized use of Esri Offerings. Customer will include the following copyright attribution notice acknowledging the proprietary rights of Esri and its licensors in any derivative work:

"Portions of this document include intellectual property of Esri and its licensors and are used under license. Copyright© *[Customer will insert the actual copyright date(s) from the source materials.]* Esri and its licensors. All rights reserved."

The grants of rights in this section (i) continue for the duration of the subscription or applicable Term or perpetually if no Term is applicable or identified in the Ordering Documents and (ii) are subject to additional rights and restrictions in this Agreement including [Attachment B](#).

1.2 Consultant or Contractor Access. Customer may authorize its consultants or contractors to (i) host Esri Offerings for Customer's benefit and (ii) use Esri Offerings exclusively for Customer's benefit. Customer will be solely responsible for its consultants' and contractors' compliance with this Agreement and will ensure that each consultant or contractor discontinues use of Esri Offerings upon completion of work for Customer. Access to or use of Esri Offerings by consultants or contractors that is not exclusively for Customer's benefit is prohibited.

1.3 Reservation of Rights. All Esri Offerings are the copyrighted works of Esri or its licensors; all rights not specifically granted in this Agreement are reserved.

1.4 Customer Content. Esri does not acquire any rights in Customer Content under this Agreement other than as needed to provide Esri Offerings and Services to Customer.

2.0 SOFTWARE AND ONLINE SERVICES

2.1 Definitions. The following definitions supplement the definitions provided in [Attachment A](#):

a. "Anonymous Users" means all who have public access (i.e., without having to provide a Named User Credential) to any part of Customer Content or Customer's Value-Added Applications.

b. "App Login Credential(s)" means a system-generated application login and associated password, provided when registering a Value-Added Application with Online Services, which when embedded in a Value-Added Application allows the Value-Added Application to access and use Online Services.

c. "Commercial App Deployment License" means a license to distribute Value-Added Applications to third parties for a fee.

d. "Concurrent Use License" means a license to install and use Software on computer(s) on a network, provided that the number of simultaneous users may not exceed the number of licenses acquired. A Concurrent Use License includes the right to run passive failover instances of Concurrent Use License management software in a separate operating system environment for temporary failover support.

e. "Deployment License" means a license to incorporate ArcGIS Runtime components in Value-Added Applications and distribute Value-Added Applications to Customer's end users.

f. "Deployment Server License" means a license to use Software under a Server License for all uses permitted in this Agreement and as described in the Documentation.

g. "Development Server License" means a license to use Software under a Server License only to build and test Value-Added Applications as described in the Documentation.

h. "Development Use" means the right to install and use Products to build and test Value-Added Applications as described in the Documentation.

i. "Dual Use License" means the right to install Software on a desktop computer and use it simultaneously with either a personal digital assistant (PDA) or handheld mobile device as long as the Software is only used by a single individual at any time.

j. "Failover License" means a license to install Software on redundant systems for failover operations, but the redundantly installed Software may be operational only during the period the primary site is nonoperational. Except for system maintenance and updating of databases, the redundant Software installation(s) will remain dormant while the primary site (or any other redundant site) is operational.

k. "Named User(s)" is Customer's employee, agent, consultant, or contractor to whom Customer has assigned a unique, secure login credential (identity) enabling access to a Product that requires such identity in order to access identity-managed capabilities within a Product for Customer's exclusive benefit. For educational use, Named Users may include registered students.

l. "Named User Credential(s)" means an individual person's login and associated password enabling that person to access and use Products.

m. "Named User License" means the right for a single Named User to use a specific Esri Offering.

n. "Online Services Subscription" means a limited-term subscription conveying the right for one or more Named Users to access and use Online Services.

- o. "Redistribution License" means a license to reproduce and distribute Software provided that
 - 1. Customer reproduces and distributes the Software in its entirety;
 - 2. A license agreement that protects the Software to the same extent as this Agreement accompanies each copy of the Software, and the recipient agrees to the terms and conditions of the license agreement;
 - 3. Customer reproduces all copyright and trademark attributions and notices; and
 - 4. Customer does not charge a fee to others for the use of the Software.
 - p. "Server License" means a license to install and use Software on any computer being used as a server. Server Licenses may be subject to a limited number of server cores or distributed deployment on multiple servers as described in the Ordering Documents or Documentation. If the Software description includes failover use rights, each Server License includes a Failover License.
 - q. "Service Credit(s)" means a unit of exchange for consumption of services that can be used with an Online Services Subscription.
 - r. "Sharing Tools" means publishing capabilities included with Customer's authorized use of Online Services or ArcGIS Enterprise that allow Customer to make Customer Content and Value-Added Applications available to third parties or Anonymous Users.
 - s. "Single Use License" means a license for a single authorized end user to install and use Software on a single computer. The single authorized end user may also install a second copy for the end user's exclusive use on a second computer as long as only 1 copy of Software is in use at any time. No other end user may use Software under the same license at the same time for any other purpose.
 - t. "Staging Server License" means a license to use Software under a Server License to build and test Value- Added Applications and map caches; conduct user acceptance, performance, and load testing of other third- party software; stage new commercial data updates; and conduct training activities as described in the Documentation. Customer may use Value-Added Applications and map caches with Development and Deployment Server Licenses.
- 2.2 License and Subscription Types. Esri provides Products under one or more of the license or subscription types identified in the definitions above. The Documentation and Ordering Documents identify which license or subscription type(s) applies to the ordered Products.
- 2.3 Software Terms of Use.
- a. Customer may
 - 1. Install, access, or store Software and Data on electronic storage device(s);
 - 2. Make archival copies and routine computer backups;
 - 3. Install and use a newer version of Software concurrently with the version to be replaced during a reasonable transition period not to exceed 6 months, provided that the deployment of either version does not exceed Customer's licensed quantity; thereafter, Customer will not use more Software in the aggregate than Customer's total licensed quantity. This concurrent use right does not apply to Software licensed for Development Use;
 - 4. Move Software in the licensed configuration to a replacement computer;
 - 5. Distribute Software and any associated Authorization Codes required for use of a Deployment License to third parties; and
 - 6. Governmental or not-for-profit organizations that operate a website or offer Internet services may use server Software for revenue-generating purposes on a cost-recovery basis and not for profit.
 - b. Customer may customize Software using any macro or scripting language, APIs, or source or object code libraries but only to the extent that such customization is described in the Documentation.
 - c. Customer may use all fonts provided with Software for any authorized use of the Software. Customer may also use Esri fonts separately to print any output created by the Software. Any use restrictions for third-party fonts included with the Software are set forth in the font file itself.
 - d. Esri publishes Product-specific Software terms of use at <https://www.esri.com/legal/scope-of-use>.
- 2.4 Online Services Terms of Use.
- a. Online Services Descriptions. Esri publishes Online Services Subscription-specific terms of use at <https://www.esri.com/legal/scope-of-use>. Use of Online Services is also subject to the Cloud Services terms found in [Attachment B](#).
 - b. Modifications of Online Services. Esri may change Online Services and associated APIs at any time, subject to 30 days' notice of material changes and 90 days' notice for deprecations. If any modification, discontinuation, or deprecation of Online Services causes a material, adverse impact to Customer's operations, Esri may, at its discretion, attempt to repair, correct, or provide a workaround for Online Services. If a viable solution is not commercially reasonable, Customer may cancel its subscription to Online Services, and when applicable, Esri will issue a prorated refund.
 - c. Sharing Customer Content. Sharing Customer Content using Sharing Tools enables third parties to use, store, cache, copy, reproduce, (re)distribute, and (re)transmit Customer Content

through Online Services. Esri is not responsible for any loss, deletion, modification, or disclosure of Customer Content resulting from use or misuse of Sharing Tools. Customer's use of Sharing Tools is at Customer's sole risk.

2.5 Named User Licenses. Except as expressly set forth in this Agreement, the following terms apply to Software and Online Services for which Customer acquires Named User Licenses.

a. Named Users.

1. Named User login credentials are for designated users only and may not be shared with other individuals.

2. Customer may reassign a Named User License to another user if the former user no longer requires access to the Software or Online Services.

3. Customer may not add third parties as Named Users, other than third parties included within the definition of Named Users.

b. Anonymous Users. Anonymous Users may only access Software or Online Services through Value-Added Applications that provide access to services or Content, that has been published for shared access through the use of Sharing Tools.

2.6 Value-Added Applications.

1. Customer is responsible for the development, operation, and technical support of Customer Content and Value-Added Applications.

2. Customer may not embed a Named User Credential into Value-Added Applications. Value-Added Applications that enable access to Customer Content that is not publicly shared through the use of Sharing Tools must require individual users to log in to the application(s) with their unique Named User login credentials.

3. Customer may embed an App Login Credential into Value-Added Applications that provide access by Anonymous Users to services or Content, that has been published for shared access by Anonymous Users through the use of Sharing Tools.

4. Customer may not embed an App Login Credential into Value-Added Applications that enables access to Customer Content that is not publicly shared through the use of Sharing Tools. Value-Added Applications that enable access to Customer Content that is not publicly shared through the use of Sharing Tools must require individual users to log in to the application(s) with their unique Named User login credentials.

5. Customer may not provide a third party, other than third parties included within the definition of Named Users, with access to Software or Online Services, other than through Customer's Value-Added Application(s).

6. Customer may transfer Value-Added Applications to any third party for use in conjunction with the third party's own Software license or Online Services Subscription.

2.7 Limited-Use Programs.

a. Trial, Evaluation, and Beta Programs. Products acquired under a trial, evaluation, or Beta program are licensed for evaluation and testing purposes only and not for commercial use. Any such use is at Customer's own risk, and the Products do not qualify for Maintenance. If Customer does not convert to a purchased license or subscription prior to the expiration of the trial, evaluation, or Beta license, Customer may lose any Customer Content and customizations made during the license term. If Customer does not wish to purchase a license or subscription, Customer should export such Customer Content before the license expires.

b. Educational Programs. Customer agrees to use Products provided under an educational program solely for educational purposes during the educational use Term. Customer shall not use Products for any Administrative Use unless Customer has acquired an Administrative Use license. "Administrative Use" means administrative activities that are not directly related to instruction or education, such as asset mapping, facilities management, demographic analysis, routing, campus safety, and accessibility analysis. Customer shall not use Products for revenue-generating or for-profit purposes.

c. Grant Programs. Customer may use Products provided under a grant program for noncommercial purposes only. Except for cost recovery of using and operating the Products, Customer shall not use Products for revenue-generating or for-profit purposes.

d. Other Esri Limited-Use Programs. If Customer acquires Products under any limited-use program not listed above, Customer's use of the Products may be subject to the terms set forth in the applicable launching page or enrollment form or as described on Esri's website in addition to the nonconflicting terms of this Agreement.

3.0 DATA

3.1 Definitions. The following definitions supplement the definitions provided in [Attachment A](#):

a. "Business Listing Data" means any dataset that includes a list of businesses and may include other associated business attributes.

b. "Esri Content Package(s)" means a digital file containing Online Services basemap Data

extracted from the Online Services.

c. "Street Data" means Data that includes or depicts information about roads, streets, and related features.

3.2 Permitted Uses.

a. Unless otherwise authorized in writing, Customer may only use Data with the Products for which Esri has provided the Data.

b. Subject to the restrictions set forth in this Agreement and provided that Customer affixes an attribution statement to the Data representations acknowledging Esri or its applicable licensor(s) as the source of the portion(s) of the Data used for the Data representation, Customer may:

1. Create representations of Data in hard-copy or static, electronic format (e.g., PDF, GIF, JPEG, HTML); in ArcGIS Web Maps; or in Esri Story Maps apps for the purposes of visualizing Data (including basic interactions such as panning, zooming, and identifying map features with simple pop-ups); and

2. Use and include such representations of Data in presentation packages, marketing studies, or other reports or documents containing map images or data summaries derived from the use of Esri Products to third parties.

c. Customer may take Online Services basemaps offline through Esri Content Packages and subsequently deliver (transfer) them to any device for use with licensed ArcGIS Runtime applications and ArcGIS Desktop. Customer may not otherwise scrape, download, or store Data.

d. Customer may make any internal use of geocoded results that are obtained and stored in compliance with this Agreement. Customer may not redistribute geocoded results except to (i) use and/or display on a map in connection with Customer's public, non-revenue generating website(s), (ii) permit access to third-parties for the purposes of Customer's business, or (iii) deliver to third parties, on a noncommercial/non-revenue generating basis, static results, static output or static base map renderings.

3.3 Use Restrictions.

a. Customer may not act directly or authorize its customers to cobrand Data, use Data in any unauthorized service or product, or offer Data through or on behalf of any third party.

b. Customer may not use or allow third parties to use Data, for the purpose of compiling, enhancing, verifying, supplementing, adding to, or deleting from compilation of information that is sold, rented, published, furnished, or in any manner provided to a third party.

c. *Business Listing Data.* Unless authorized in writing, Customer may not use Business Listing Data for any direct marketing purposes, resale publication, or distribution to any third party as part of any mailing list, directory, classified advertising, or other compilation of information.

d. *Street Data.* Customer may use Street Data for mapping, geocoding, routing, and transportation network analysis purposes. Unless otherwise authorized in writing, Customer may not use Street Data for

1. Real-time navigational guidance, including alerting a user about upcoming maneuvers, such as warning of an upcoming turn or calculating an alternate route if a turn is missed;

2. Synchronized multivehicle routing; or

3. Synchronized route optimization.

e. *Business Analyst Data.* Customer may cache Data provided with ArcGIS Business Analyst Mobile App on a mobile device for use in conjunction with its use of ArcGIS Business Analyst Server. Customer may not otherwise cache or download such Data.

f. *Partial Dataset Licenses:* If Customer orders a subset of a dataset (e.g., a country, region, state, or local portion of a global database), Customer may use only the licensed subset, not any other portion of the full dataset.

g. *Michael Bauer Research International Boundaries Data ("MBR Data").* Customer's right to use data downloaded to Customer's premises (e.g., MBR Data stored in ArcGIS Enterprise, ArcGIS Desktop) terminates 2 years after download.

3.4 Supplemental Terms and Conditions for Data. Certain Data licensors require Esri to flow down additional attribution requirements and terms of use to Customer. These terms supplement and amend the terms of this Agreement and are available at www.esri.com/legal/third-party-data.

4.0 MAINTENANCE

4.1 US Customers. Esri will provide Maintenance for Software and Online Services in accordance with the Esri Maintenance and Support Program and this Agreement if Customer is in the United States.

4.2 Customers outside the United States. Customer may obtain maintenance services from their local Esri authorized distributor under the authorized distributor's own standard support policy.

5.0 PROFESSIONAL SERVICES

5.1 Definitions. The following definitions supplement the definitions provided in [Attachment A](#):

a. "Invention(s)" means a patentable invention, discovery, innovation, or improvement, excluding

Deliverables, relating to the subject matter of a Task Order.

b. "Inventor(s)" means a party's principal, employee, consultant, or independent contractor that solely or jointly develops Inventions during Esri's performance under a Task Order.

c. "Professional Service Package(s)" means a predefined unit of Professional Services, including travel-related expenses, provided at a firm fixed price.

5.2 Permitted Uses. Customer may use, copy, and modify Deliverables solely in conjunction with Customer's authorized use of Products.

5.3 Task Orders and Project Schedule.

a. Esri will provide Professional Services and Deliverables as specified in the Task Order.

b. Each Task Order will reference this Agreement and specify the commencement date and, if known, the period of performance.

c. Task Orders may have the format shown in Attachment C or any other agreed-upon format.

d. Each party will identify, in writing, the project manager who is responsible for Professional Services and Deliverables described in Task Orders. By written notice to the other party's technical administrator, either party may replace the project manager at any time with a similarly qualified person.

e. Other than pricing and descriptions of Professional Services to be performed, terms and conditions in a Task Order are not binding unless both parties have signed the Task Order. The terms of a signed Task Order take precedence over conflicting terms in this Agreement.

5.4 Ownership of Deliverables and Inventions.

a. Esri or its licensors own and retain ownership of Deliverables.

b. Each party will retain all rights, title and ownership to any Inventions made or conceived solely by the respective Party's Inventors during the term of this Agreement, including, but not limited to, such Inventions that Esri's Inventors solely make or conceive while providing technical assistance pursuant to this Agreement.

c. The parties will jointly own any Inventions made or conceived jointly by Inventors from both Parties. The Parties will negotiate in good faith and cooperate reasonably in (i) deciding whether or not to seek or maintain, or to continue to seek or maintain, patent protection in any country on any joint Invention and the extent and scope of such protection and (ii) protecting and enforcing any patents issued on such joint Invention.

5.5 Acceptance.

a. For Firm Fixed Price Task Orders. Customer will complete its acceptance review within 10 working days of receiving each Deliverable and classify the Deliverables as follows:

1. "DELIVERABLE ACCEPTED" means a Deliverable conforming to the applicable Task Order with no more than minor nonconformities.

2. "DELIVERABLE ACCEPTED WITH REWORK" means a Deliverable substantially conforming to the applicable Task Order but having a significant number of identified nonconformities and accepted subject to rework by Esri. Esri will rework the Deliverable for the identified nonconformities and resubmit it within 30 days. Customer will rerun its acceptance review for the nonconformities detected in the initial review within 10 working days of such resubmission and will reclassify the Deliverable as either DELIVERABLE ACCEPTED or DELIVERABLE REJECTED.

3. "DELIVERABLE REJECTED" means a Deliverable that fails to substantially conform to applicable Task Order(s). Esri will rework the Deliverable and resubmit it to Customer within 30 days, at which time Customer will have 10 working days to rerun its acceptance review and reclassify the deliverable as either DELIVERABLE ACCEPTED or DELIVERABLE REJECTED.

Customer may not use any Deliverable in its business operations before acceptance as described in a.1 or a.2. If Customer does not notify Esri in writing within 10 working days after delivery that it has classified the Deliverable as ACCEPTED WITH REWORK or REJECTED in accordance with a.2 or a.3, or if Customer uses the Deliverable in its business operations, the Deliverable will be deemed, as of the first of either of these events to occur, to have been accepted.

b. For Task Orders with Professional Service Packages. Professional Services that Esri performs under Professional Service Packages will be deemed accepted unless Customer notifies Esri within 10 days after performance. Customer may purchase additional Professional Service Packages as needed to complete Customer's work requirements.

c. For Time and Materials Task Orders. Professional Services are provided strictly on a time and materials basis subject to the Task Order not-to-exceed funding limit. The Professional Services provided will be deemed accepted and in compliance with the professional and technical standards of the software industry unless Customer notifies Esri within 10 days after performance. Deliverables produced under a time and materials Task Order will not be subject to acceptance testing.

5.6 Warranty for Deliverables. Esri warrants to Customer that firm fixed price Deliverables materially comply with Specifications for a period of 90 days from acceptance, subject to the limitations and disclaimers of liability set forth in the "Limited Warranties and Disclaimers" section of

Attachment B.

5.7 Changes. The parties may make changes within the general scope of a Task Order by mutual agreement. To document any agreed-to scope changes within the general scope of the Task Order that affects the cost or time required to provide a Deliverable, the parties will jointly sign a written amendment to the Task Order that includes an equitable adjustment in the price, schedule, or both.

5.8 Customer Termination for Convenience. Customer may terminate any Task Order at any time upon 30 days' written notice to Esri and upon payment to Esri of all amounts due to date pursuant to this Agreement, including reasonable expenses incurred as a direct result of the termination and the pro rata contract price for the Task Orders affected.

5.9 Payment; Invoices.

a. For Firm Fixed Price Task Orders. Unless otherwise specified in a Task Order, Esri will prepare and submit monthly invoices based on the percentage of completion for each Deliverable as of the end of the preceding month. Upon acceptance of all Deliverables under a Task Order, the unpaid balance of the total Task Order value is due.

b. For Professional Service Packages. Esri will submit an invoice for Professional Service Packages on receipt of an agreed-upon Task Order. Esri may, at its sole discretion, stop work to avoid exceeding the total labor hours or number of days allotted in the applicable Professional Service Package description set forth in the applicable scope of work. Professional Service Packages expire if not used within 12 months of the Esri invoice date.

c. For Time and Materials Task Orders.

1. Esri will submit to Customer written monthly invoices to the Customer address provided in the Task Order. The invoices will include the payment due for work performed, including travel time, and any other direct costs (ODCs) incurred as authorized under a Task Order. The amount invoiced for labor will be equal to the number of hours expended during the previous month, multiplied by the applicable labor rates. Esri will invoice meals on a per diem basis in accordance with the full daily limits specified on the government Defense Travel website at <https://www.defensetravel.dod.mil/site/perdiemCalc.cfm>. Esri and Customer may include hourly labor rates in this Agreement; if the parties elect to do so, Attachment D will identify the hourly labor rates for each labor category. Esri may change hourly labor rates for Services; any increase in the first 5 years will not exceed 5 percent per year. Esri will invoice ODCs, including travel-related expenses incurred, plus a 15 percent burden.

2. Esri may reallocate the budget between activities, labor categories, and ODCs as necessary to facilitate the work effort, provided the overall price is not exceeded. If Esri reaches the funded not-to-exceed Task Order value and the activities are not completed, Customer may increase the order funding to allow additional work to be performed, or Esri may stop work without further obligation or liability.

5.10 System and Data Access. Each Task Order will specify any requirement for Customer to give Esri personnel access to Customer's systems or data.

6.0 ESRI MANAGED CLOUD SERVICES

6.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. "Esri Managed Cloud Services Environment" means the hardware, Software, Data, and network platform that Esri or its third-party supplier provides as part of Esri Managed Cloud Services.

b. "Hosting" means the business of housing and making accessible Customer Content via the Internet.

6.2 Provision of Esri Managed Cloud Services.

a. General Terms. Use of Esri Managed Cloud Services is subject to the Cloud Services terms found in Attachment B of this Agreement.

b. Requirements Planning. It is Customer's responsibility to plan for and address with Esri changes to Customer's requirements, such as the need for additional capacity, the update of an application or dataset, or increased level of system availability.

c. Compensation and Expenses. Esri will invoice Customer for the one-time setup fee upon Task Order execution. Thereafter, Esri will invoice Customer monthly for the Esri Managed Cloud Services to be provided the following month. Customer will pay invoices within 30 days of receipt. Customer is responsible for any shipping or temporary storage costs incurred during the delivery of Customer Content to Esri or removal of Customer Content from the Esri Managed Cloud Services Environment. This paragraph does not apply to Esri Managed Cloud Services provided under the Advantage Program (see the section entitled "Advantage Program" in this Agreement).

d. Risk of Loss. Risk of loss for all Customer Content shall at all times remain with Customer, and it is Customer's sole responsibility to maintain regular backups of Customer Content. Risk of loss for the Esri Managed Cloud Services Environment shall at all times remain with Esri.

e. Personally Identifiable Information. Prior to providing any Customer Content under this Agreement, Customer shall notify Esri if Customer Content includes personally identifiable

information.

f. Public Software. Customer may not use, and may not authorize its end users or contractors to combine or use any Esri Offerings with any software (including any underlying dependencies), documentation, or other material distributed under an open source or other similar licensing or distribution model that requires as a condition of such model that any component of the Esri Offering to be (1) disclosed or distributed in source code form, (2) made available free of charge to third parties, or (3) modifiable without restriction by third parties.

g. Monitoring. Customer will provide information and other materials related to its Customer Content as reasonably requested by Esri or its Hosting partner to verify Esri's or Customer's compliance with this Agreement. Esri or its Hosting partner, as applicable, may browse, index, or otherwise monitor the external interfaces of any Customer Content solely for the purpose of verifying compliance with this Agreement.

7.0 TRAINING

7.1 Definitions. The following definitions supplement the definitions provided in [Attachment A](#):

a. "Customer-Supplied Training Data" means any digital dataset(s) including, but not limited to, geographic vector data, coordinates, raster data reports, or associated tabular attributes supplied by Customer for use in training.

b. "Esri Academy LMS Integration Subscription" means an optional term-limited subscription to Esri Academy enabling a specific number of unique Customer student(s) access to Self-Paced E-Learning through the customer's Learning Management System.

c. "Esri E-Learning Content (SCORM Format) License" means an optional term-limited license that provides Esri customers with Esri's e-learning content in SCORM (Shareable Content Object Reference Model) format to import into their Learning Management System.

d. "Esri Mobile Lab" means a service in which Esri will deliver and set up a training environment at the Customer's site for use in conjunction with scheduled Esri Training Events only. The Esri Mobile Lab will include certain hardware, software, power cords, and network switches necessary for the instructor to set up the environment.

e. "Esri Training Event(s)" means an Esri site class, Esri instructor-led online class, a Customer site/private class, workshop, or coaching services.

f. "Esri Training Representative" means Customer's primary Esri liaison in organizing private Esri Training Events.

g. "Student(s)" means a Customer employee or agent who is a registered participant in a specific Esri Training Event or Training-related services. If Customer is an individual, then Student means Customer.

h. "Training Pass" means a nonrefundable, nontransferable block of prepaid training days with a fixed price per day throughout the Term of the Training Pass.

i. "Esri Mobile Router" means a service in which Esri will deliver and setup a mobile router at the Customer's site for use in conjunction with a scheduled Esri Training Event only. The mobile router provides high-speed wireless internet access needed to run the Esri Training Event.

k. "Learning Management System or "LMS" shall mean third-party software acquired separately by Customer that allows Customer to consume E-Learning Content (SCORM Format) for the purpose of re-serving it to the Customer's internal employees.

7.2 Permitted and Prohibited Uses.

a. Esri provides Training Materials for Training purposes only and for the exclusive use of the Student who attends the Training course for which the Training Materials are provided.

b. Customer may reproduce copies of Training Materials for registered Students.

c. Customer may not and may not permit any Student to (i) separate the component parts of Training Materials for any use or (ii) use audio or video recording equipment during an Esri Training Event.

d. Esri may issue temporary Product authorizations if Customer has an insufficient number of Products available for Training. Customer may use such Products as Training Materials under the terms of this Agreement. Customer will uninstall all deployed Products and return any media provided by Esri upon conclusion of the Esri Training Event.

e. Customer will retain ownership of any Customer-Supplied Training Data.

7.3 Esri's Responsibilities.

Esri will

a. Provide an instructor qualified to conduct Training;

b. Provide all necessary Training Materials for Student; and

c. Confirm Esri Training Events approximately 10 business days prior to the scheduled start date.

Esri will only confirm Student registrations that include a payment method. Registrations without a confirmed payment method are placed on the reservation waiting list. All reservations on the waiting list are subject to availability. Customer site/Private class and coaching services confirmation is also

dependent on receipt of the completed Customer site training request form.

7.4 Customer's Responsibilities.

Customer will

- a. Ensure that all Students have received confirmation from Esri to participate in an Esri Training Event. Esri reserves the right to disconnect any Student who permits unregistered student access to an online classroom Esri Training Event. In such case, the full Esri Training Event fee will be invoiced and payable;
- b. Ensure that all Students meet the minimum prerequisites for the applicable Esri Training Event as listed on Esri's training website;
- c. Submit Student registrations with payment method information at least 15 business days before the scheduled start date;
- d. Provide the Esri Training Representative with a list of names and email addresses of any Students who are to attend an Esri Training Event at least 3 business days before the scheduled start date, for compliance with the US embargoed country lists and the various US Government Lists of Parties of Concern or Specially Designated Nationals lists;
- e. For classes held at the Customer-designated facility, complete a client-site training request form; consult with Esri personnel to determine classroom, computer, and network requirements; and provide all such required classrooms, computers, and network access;
- f. Ensure that Student use of Training Materials provided by Esri complies with the terms of this Agreement; and
- g. Assume full liability and responsibility for Student attending Training course(s) under this Agreement.
- h. If the Esri Mobile Lab or Mobile Router is used, Customer will
 1. Take delivery of the Esri Mobile Lab or Mobile Router from the shipping agent, and keep it in a secure, locked area at all times;
 2. Immediately report any previously damaged Esri Mobile Lab or Mobile Router equipment to the Esri Training Representative upon receipt of the shipment; and
 3. Be financially responsible for loss of, damage to, or theft of Esri Mobile Lab or Mobile Router equipment while in Customer's possession.

7.5 Student Registration and Training Event Change Policy.

- a. Customer will provide advance written notice to Esri Customer Service at service@esri.com to reschedule or cancel any Esri Training Event or to substitute a student in a scheduled Esri Training Event.
- b. A replacement Student must be from the same Customer organization as the Student being replaced.
- c. If Customer reschedules an Esri Training Event three or fewer days before the scheduled start date, Esri will charge Customer 50 percent of the fee plus the cost of the rescheduled Esri Training Event.
- d. If Customer (i) cancels an Esri Training Event 3 or fewer days before the scheduled start date without concurrently rescheduling or (ii) is absent without notice from the Esri Training Event, Customer will be liable for the full Esri Training Event fee.
- e. If cancellation of an Esri Training Event is necessary due to causes beyond the party's reasonable control, the affected party may reschedule or cancel the Esri Training Event without incurring any liability.
- f. *Termination of Agreement.* Students who are currently registered for an Esri Training Event as of the date of termination of this Agreement may attend the scheduled Esri Training Event, subject to the terms and conditions of this Agreement.

7.6 Invoicing; Prepaid Fees.

- a. Esri will invoice Customer upon completion of the Esri Training Event or on purchase of a Training Pass. On Customer request, Esri will invoice in advance for an Esri Training Event.
- b. If Customer is invoiced and pays that invoice prior to the scheduled Esri Training Event, then Customer has 1 year from the date of the invoice to consume training days. For a multiyear order, training days must be consumed by the end date specified on the Esri quotation. Thereafter, all prepaid fees are forfeited.
- c. Training Pass policies and redemption rates are described at <https://www.esri.com/training/training-for-organizations/>.

This section 7.6 does not apply to Training provided under the Advantage Program.

7.7 Availability and General Provision of Wireless Service

- a. Esri will not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to wireless service interruptions or unavailability.

7.8 Esri E-Learning in the Customer's Learning Management System

- a. Esri E-Learning Content (SCORM format) License, specific terms of use incorporated by

reference are found at <https://www.esri.com/content/dam/esrisites/en-us/media/legal/scorm-lms/scorm-terms-and-conditions.pdf>

b. Esri Academy LMS Integration Subscription, specific terms of use incorporated by reference are found at <https://www.esri.com/content/dam/esrisites/en-us/media/legal/scorm-lms/lms-terms-and-conditions.pdf>

8.0 ADVANTAGE PROGRAM

8.1 Definitions. The following definitions supplement the definitions provided in **Attachment A**:

a. "Activity Description" means a mutually agreed upon written statement that confirms the number of Learning and Services Credits that Esri estimates is required to perform an activity and authorizes Esri to begin work based on such estimate. The Activity Description serves as the Task Order for Services provided under the Advantage Program.

b. "Advantage Program" means either Advantage Program, as described at www.esr.com/services/eeap/components, or the Advantage Program for Partners, as described at www.esri.com/partners/bpap/components.

c. "Authorized Contact" means Customer's point of contact for the Advantage Program identified below.

d. "Learning and Services Credits" means a contracted unit of exchange that Customer may use to acquire Professional Services, Training, PSS, Esri Managed Cloud Services, or related travel expenses as described below.

e. "Premium Support Services" or "PSS" means a prioritized incident management and technical support program further described at <https://support.esri.com/en/support/premium>.

f. "Advisor" means an Esri consultant assigned to work with Customer to provide Professional Services such as advising Customer on GIS strategies, facilitating annual planning, and developing and coordinating a collaborative work plan under the Advantage Program.

8.2 Advantage Program Description. The Advantage Program is provided on an order-by-order, annual subscription basis and provides strategy and planning support in addition to a menu of items including Professional Services, Training, PSS, and Esri Managed Cloud Services that Customer can select to best meet its needs with guidance from Advisor. The Advantage Program may change from time to time. The Advantage Program includes the following:

a. Advisor. Customer will receive up to the number of Advisor hours ordered. Customer may elect to retain additional Advisor hours for a supplemental price.

b. Annual Planning Meeting. A 1-day annual planning meeting is included.

c. Work Plan. A collaboratively developed document is designed to drive the program's implementation through definition of Customer's GIS vision, goals, and objectives.

d. Learning and Services Credits. Customer will receive the number of Learning and Services Credits ordered. Customer may use the credits toward any combination of Professional Services, Training, PSS, Esri Managed Cloud Services, or related travel expenses. Customer may order, for an additional price, additional Learning and Services Credits. Learning and Services Credits may be exchanged as described at the applicable Advantage Program website. Esri will provide a monthly report outlining usage of Learning and Services Credits to date to the Authorized Contact.

e. Technology Webcasts. Esri will provide an email invitation to the Authorized Contact for webcasts presenting business and technical information related to enterprise GIS.

f. No Project Services. The Advantage Program is not designed for Esri to provide project-specific Professional Services such as custom application or database development for solutions or applications. Esri will not provide these types of Professional Services under the Advantage Program and does not warrant that Deliverables provided under an Advantage Program will comply with Specifications.

8.3 Authorized Contact Information. Customer identifies the following person as its initial Authorized Contact.

(to be completed by Customer):

Contact Name: _____ Address: _____

City, State, ZIP: _____

Email: _____ Telephone: _____ Fax: _____

8.4 Current on Maintenance. Customer must remain current on standard Software Maintenance during the Advantage Program term.

8.5 Authorization of Learning and Services Credits Use. Customer will contact its account manager or Advisor to consume Learning and Services Credits for a particular request. Esri will submit an Activity Description by email to Customer for confirmation and authorization to use Learning and Services Credits. Customer may authorize the consumption of Learning and Services Credits by submitting an email. Esri will begin work and deduct the estimated credit amount stated in the Activity Description from the unused Learning and Services Credits available.

8.6 Activity Descriptions for Esri Managed Cloud Services. The Activity Description for Esri

Managed Cloud Services orders must include the following:

- a. The Esri Managed Cloud Services Term. The time period in which Esri provides the Esri Managed Cloud Services to Customer. The Esri Managed Cloud Services term does not begin until setup and deployment of the data and application are complete.
- b. Targeted System Availability. The minimum percentage of time that Customer has external access to the application and associated Customer Content through the Internet. Examples of supported levels of system availability are 95 percent, 99 percent, and 99.9 percent. Not all Esri Managed Cloud Services offerings include a Targeted System Availability.
- c. Number of Anticipated Requests. A The number of requests made by an end user through a client (e.g., desktop computer, web application, mobile device) and sent to a server(s) that is set up in the Esri Managed Cloud Services Environment by Esri and performs computational tasks on behalf of the end user. An example of a common request used in a GIS is a map request. A map request is made every time a user pans, zooms, or queries a map service.
- d. Amount of Data Storage. The storage capacity required to retain digital data, which is to be used and consumed in Customer GIS applications or Cloud Services.
- e. Learning and Services Credits Consumption. The price for the Esri Managed Cloud Services in Learning and Services Credits.

The Data storage location may be defined in the Activity Description.

8.7 Travel and Per Diem Expenses. Any Esri travel and per diem expenses will be quoted separately. Travel expenses will include a 15 percent burden, and per diem will be determined in accordance with the full daily limits specified on the government Defense Travel website at <https://www.defensetravel.dod.mil/site/perdiemCalc.cfm>. Customer will use Learning and Services Credits for travel and per diem expenses.

8.8 Notification of Consumed Credits. Esri will notify Customer if the authorized Learning and Services Credits are consumed prior to completion of the requested work. Customer may elect to direct the use of additional Learning and Services Credits, if available; procure additional Learning and Services Credits; or notify Esri to stop work on such requested work. Esri reserves the right to stop work if Customer has consumed all its Learning and Services Credits.

8.9 Review of Proposed Activities. Any activities proposed to be completed under the Advantage Program will be subject to Esri's review and approval to ensure alignment with the intent of the program.

8.10 Invoicing.

- a. Esri shall invoice Customer as quoted for the Advantage Program subscription, additional Learning and Services Credits, or Advisor services upon receipt of Customer's order. Subsequently, Esri will invoice annually at least 30 days in advance of the Advantage Program subscription expiration date. Esri will extend the Advantage Program subscription for a subsequent annual term upon receipt of Customer's payment of the renewal invoice. Esri will invoice fees for additional Learning and Services Credits or Advisor services upon receipt of Customer's order.

- b. Pricing for program renewals and new or additional Services will be in accordance with Esri's standard pricing at the time of purchase or renewal.

8.11 Termination and Expiration. Upon termination or expiration of an Advantage Program subscription:

- a. Services will end as of the expiration or termination date stated; and
- b. Unless either party terminates the Advantage Program subscription for cause, Customer may apply any unused Learning and Services Credits toward any Professional Services, Training, PSS, or related travel expenses that are scheduled as of the termination or expiration date, provided that the Learning and Services Credits are used within 3 months after the termination or expiration date. Any other unused Learning and Services Credits will expire 30 days after the expiration or termination date; if Customer renews the Advantage Program subscription within this time period, any unused Learning and Services Credits will remain valid for up to 2 years from the purchase date or termination of this Agreement, whichever comes first.

ATTACHMENT A GLOSSARY OF TERMS

The following glossary of terms applies to all Esri Offerings and Services that Esri may provide to its customers. Certain Esri Offerings or Services may not be within the scope of this Agreement. Please disregard any terms that are not applicable to Esri Offerings or Services offered under this Agreement.

"Affiliate" means any entity that directly or indirectly (i) Controls; (ii) is Controlled by; or (iii) is under common Control with a party, where "Control" means having more than 50 percent of the voting stock or other voting interest in the Controlled entity.

"API" means application programming interface.

"ArcGIS Website" means www.arcgis.com and any related or successor websites.

"Authorization Code(s)" means any key, authorization number, enablement code, login credential, activation code, token, user name and password, or other mechanism required for use of Esri Offerings.

"Beta" means any alpha, beta, or other prerelease version of a Product.

"Cloud Services" means Online Services and Esri Managed Cloud Services.

"Content" means data, images, photographs, animations, video, audio, text, maps, databases, data models, spreadsheets, user interfaces, graphics components, icons, software, and other resources used in connection with Esri Offerings and Services.

"Control" means having more than 50 percent of the voting stock or other voting interest in the Controlled entity.

"Customer Content" means any Content that Customer provides, uses, or develops in connection with Customer's use of Esri Offerings or Services, including Value-Added Applications. Customer Content excludes any feedback, suggestions, or requests for improvements that Customer provides to Esri.

"Data" means any commercially available digital dataset(s) including, but not limited to, geographic vector data, raster data reports, or associated tabular attributes that Esri bundles with other Esri Offerings or delivers independently.

"Deliverables" means anything that Esri delivers to Customer as a result of performance of Professional Services.

"Documentation" means all user reference documentation that Esri provides with a Deliverable or an Esri Offering.

"Esri Managed Cloud Services" means a Customer-specific cloud infrastructure, Software, Data, and network platform that Esri hosts, manages, and makes available to Customer or Customer's end users via the Internet.

"Esri Offering(s)" means any Product or Documentation. If Esri provides Training or Professional Services directly to Customer, then Esri Offerings also include Deliverables and Training Materials. Esri Offerings exclude Services and Third-Party Content.

"GIS" means geographic information system.

"Maintenance" means a subscription program that Esri provides and that entitles Customer to Product updates and other benefits such as access to technical support and self-paced, web-based learning resources.

"Malicious Code" means software viruses; worms; time bombs; Trojan horses; or any other computer code, files, denial of service, or programs designed to interrupt, destroy, or limit the functionality of any computer software, hardware, or telecommunications equipment.

"Online Services" means any commercially available, Internet-based geospatial system that Esri provides, including applications and associated APIs for storing, managing, publishing, and using maps, data, and other information. Online Services exclude Data and Content.

"Ordering Document(s)" means a sales quotation, Maintenance renewal quote, purchase order, proposal, Task Order, or other document identifying Esri Offerings, updates, or Services that Customer orders.

"Perpetual License" means a license to use a version of the Esri Offering for which applicable license fees have been paid, indefinitely, unless terminated by Esri or Customer as authorized under this Agreement.

"Product(s)" means Software, Data, and Online Services.

"Professional Services" means any development or consulting services that Esri provides to Customer.

"Sample(s)" means sample code, sample applications, add-ons, or sample extensions of Products.

"Service(s)" means Maintenance. If Esri provides Esri Managed Cloud Services, Training, or Professional Services directly to Customer, then Services also include Esri Managed Cloud Services, Training, and Professional Services.

"Software" means any proprietary commercial off-the-shelf software, excluding Data, accessed or downloaded from an Esri-authorized website or that Esri delivers on any media in any format including backups, updates, service packs, patches, hot fixes, or permitted merged copies.

"Specification(s)" means (i) the Documentation for Software and Online Services, (ii) the scope of work set forth in any Task Order, or (iii) Esri's published course descriptions for Training.

"Task Order(s)" means an Ordering Document for Services.

"Term License" means a license for use of an Esri Offering for a limited time period ("Term").

"Third-Party Content" means any Content that Customer may obtain from a third-party website or that persons other than Esri employees, suppliers, or contractors may directly contribute to Esri's website.

"Training" means (i) Product training or (ii) related training that Esri provides under this Agreement.

"Training Materials" means digital or printed Content required to complete Training, which may include, but is not limited to, workbooks, data, concepts, exercises, assessments, and exams.
"Value-Added Application(s)" means an application developed by Customer for use in conjunction with the authorized use of any Software, Data, or Online Services.

ATTACHMENT B GENERAL TERMS AND CONDITIONS

The following general terms and conditions apply to all Esri Offerings and Services that Esri may offer to its customers. Certain Esri Offerings or Services may not be available under this Agreement. Please disregard any terms that are not applicable to Esri Offerings or Services offered under this Agreement.

ARTICLE B.1-GENERAL USE RESTRICTIONS

Except as expressly permitted in this Agreement, Customer will not

- a. Sell, rent, lease, sublicense, distribute, lend, time-share, or assign Services or Esri Offerings;
- b. Distribute or provide direct access to Services or Esri Offerings to third parties, in whole or in part, including, but not limited to, extensions, components, or DLLs;
- c. Distribute Authorization Codes to third parties;
- d. Reverse engineer, decompile, or disassemble any Product or Deliverable delivered in compiled form;
- e. Make any attempt to circumvent the technological measure(s) that controls access to or use of Esri Offerings;
- f. Store, cache, use, upload, distribute, or sublicense Content or otherwise use Esri Offerings in violation of Esri's or a third-party's rights, including intellectual property rights, privacy rights, nondiscrimination laws, export laws, or any other applicable law or regulation;
- g. Remove or obscure any Esri or its licensors' patent, copyright, trademark, proprietary rights notices, or legends contained in or affixed to any Esri Offerings, output, metadata file, or online or hard-copy attribution page of any Data or Documentation;
- h. Unbundle or independently use individual or component parts of Esri Offerings;
- i. Incorporate any portion of Esri Offerings into a product or service for third-party use that competes with the Esri Offerings;
- j. Publish or in any other way communicate the results of benchmark tests run on Beta Products without the prior written permission of Esri and its licensors; or
- k. Use, incorporate, modify, distribute, provide access to, or combine any Esri Offerings in a manner that would subject any Esri Offering to open-source or open-database license terms (e.g. GPL) that require any part of the Esri Offering to be subject to additional terms, for example
 1. Disclosed in source code form to third parties;
 2. Licensed to third parties for the purpose of making derivative works; or
 3. Redistributable to third parties at no charge; or
- l. Generate revenue by providing access to Software or Online Services through a Value-Added Application.

These restrictions will not apply to the extent that they conflict with applicable law or regulation.

ARTICLE B.2-TERM AND TERMINATION

B.2.1 Customer may terminate this Agreement or any Esri Offerings license or subscription at any time upon written notice to Esri. Termination without cause does not entitle Customer to receive any refund of fees paid. Any right to terminate pending Services engagements for convenience is set forth in the applicable section in the body of this Agreement. Either party may terminate this Agreement or any license or subscription for a material breach that is not cured within 30 days of written notice to the breaching party. Upon any termination of this Agreement for breach, Esri will stop providing Services. Any licenses in Esri Offerings that survive termination of this Agreement continue under the terms of this Agreement.

B.2.2 If Esri terminates this Agreement following Customer's breach, then Esri may also, at its election, terminate Customer's licenses or subscriptions to Esri Offerings. If Customer terminates this Agreement for cause or convenience, then Customer may, at its election, also terminate Customer's licenses or subscriptions to Esri Offerings.

8.2.3 Upon any termination or expiration of a license or subscription, Customer will

- a. Stop accessing and using the terminated or expired Esri Offerings;
- b. Clear any client-side data cache derived from the terminated or expired Cloud Services; and
- c. Stop using and uninstall, remove, and destroy all copies of the terminated or expired Esri Offerings in Customer's possession or control, including any modified or merged portions thereof, in any form, and execute and deliver evidence of such actions to Esri or its authorized distributor.

Esri may stop performing Services immediately upon written notice to Customer if a bankruptcy or insolvency proceeding is commenced by or against Customer until the trustee cures any existing defaults and provides adequate assurance of future performance under this Agreement. This Agreement terminates upon the insolvency, liquidation, or dissolution of either party.

ARTICLE 8.3-LIMITED WARRANTIES AND DISCLAIMERS

8.3.1 Limited Warranties. Except as disclaimed below, Esri warrants to Customer that (i) Products and Training will substantially comply with the applicable Specifications and (ii) Services will substantially conform to the professional and technical standards of the industry. The warranty period for Esri Offerings offered under a Perpetual License and for Services runs for 90 days from the date of delivery or from the date of acceptance if this Agreement provides an acceptance period. The warranty period for Esri Offerings offered under a subscription or Term License basis runs for the lesser of (i) the duration of the subscription or term or (ii) 90 days from delivery or acceptance if this Agreement provides an acceptance period.

8.3.2 Special Disclaimer. Third-Party Content; Data; Samples; hot fixes; patches; updates; Online Services provided at no charge; and trial, evaluation, and Beta Products are delivered "as is" and without warranty of any kind.

8.3.3 General Disclaimer. Except for the express limited warranties set forth in this Agreement, Esri disclaims all other warranties or conditions of any kind, whether express or implied, including, but not limited to, warranties or conditions of merchantability, fitness for a particular purpose, and noninfringement of intellectual property rights. Esri is not responsible for any nonconformities with Specifications or loss, deletion, modification, or disclosure of Customer Content caused by Customer's modification of any Esri Offering other than as specified in the Documentation. Esri does not warrant that Esri Offerings, or Customer's operation of the same, will be uninterrupted, error free, fault tolerant, or fail- safe or that all nonconformities can or will be corrected. Esri Offerings are not designed, manufactured, or intended for use in environments or applications that may lead to death, personal injury, or physical property or environmental damage. Customer should not follow any navigational route suggestions that appear to be hazardous, unsafe, or illegal. Any such uses will be at Customer's own risk and cost.

8.3.4 Disclaimers.

a. Internet Disclaimer. Neither party will be liable for damages under any theory of law related to the performance or discontinuance of operation of the Internet or to regulation of the Internet that might restrict or prohibit the operation of Cloud Services.

b. Third-Party Websites; Third-Party Content. Esri is not responsible for any third-party website or Third- Party Content that appears in or is referenced by Esri Offerings or Esri websites, including www.esri.com, developers.arcgis.com, livingatlas.arcgis.com and www.arcgis.com. Providing links to third-party websites and resources does not imply an endorsement, affiliation, or sponsorship of any kind.

8.3.5 Exclusive Remedy. Customer's exclusive remedy and Esri's entire liability for breach of the limited warranties in this section will be to replace any defective media and to (i) repair, correct, or provide a workaround for the applicable Esri Offering or Services or (ii) at Esri's election, terminate Customer's right to use and refund the fees paid for Esri Offerings or Services that do not meet Esri's limited warranties.

ARTICLE B.4-LIMITATION OF LIABILITY

8.4.1 Disclaimer of Liability. Neither Customer, Esri, nor any Esri authorized distributor or third party licensor will be liable for any indirect, special, incidental, or consequential damages; lost profits; lost sales; loss of goodwill; costs of procurement of substitute goods or services; or damages exceeding the applicable license fees, or current subscription fees, or Services fees paid or owed to Esri for the Esri Offerings or Services giving rise to the cause of action.

B.4.2 The limitations and exclusions of liability in the preceding paragraph do not apply to Customer's infringement, misuse, or misappropriation of Esri's or Esri's licensors' intellectual property rights, either party's indemnification obligations, gross negligence, willful misconduct, or violations of the Export Compliance clause of this Agreement or any applicable law or regulation.

B.4.3 Applicability of Disclaimers and Limitations. Esri or its authorized distributor has set its fees and entered into this Agreement in reliance on the disclaimers and limitations in this Agreement; the fees reflect an allocation of risk that is an essential basis of the bargain between the parties. These limitations will apply whether or not a party is aware of the possibility of any damage and notwithstanding any failure of essential purpose of any exclusive, limited remedy.

B.4.4 The foregoing disclaimers, limitations, and exclusions may be invalid in some jurisdictions and apply only to the extent permitted by applicable law or regulation in Customer's jurisdiction. Customer may have additional rights that may not be waived or disclaimed. Esri does not seek to limit Customer's warranty or remedies to any extent not permitted by law.

ARTICLE B.5-INDEMNIFICATIONS

B.5.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

- a. "Claim" means any claim, action, or demand by a third party.
- b. "Indemnitees" means Customer and its directors, officers, and employees.
- c. "Infringement Claim(s)" means any Claim alleging that Customer's use of or access to any

Esri Offering or Service infringes a patent, copyright, trademark, or trade secret.

d. "Loss(es)" means expenditure, damage award, settlement amount, cost, or expense, including awarded attorneys' fees.

B.5.2 Infringement Indemnity.

a. Esri will defend, hold all Indemnitees harmless from, and indemnify any Loss arising out of an Infringement Claim.

b. If Esri determines that an Infringement Claim is valid, Esri may, at its expense, either (i) obtain rights for Customer to continue using the Esri Offerings or Services or (ii) modify the Esri Offerings or Services while maintaining substantially similar functionality. If neither alternative is commercially reasonable, Esri may terminate Customer's right to use the Esri Offerings or Services and will refund any (a) license fees that Customer paid for the infringing Esri Offerings or Services acquired under a Perpetual License, prorated on a 5-year, straight-line depreciation basis beginning from the initial date of delivery or (b) unused portion of fees paid for Term Licenses, Subscriptions, and Maintenance.

c. Esri has no obligation to defend an Infringement Claim or to indemnify Customer to the extent the Infringement Claim arises out of (i) the combination or integration of Esri Offerings or Services with a product, process, system, or element that Esri has not supplied or specified in the Specification; (ii) alteration of Esri Offerings or Services by anyone other than Esri or its subcontractors; (iii) compliance with Customer's specifications; or (iv) use of Esri Offerings or Services after Esri either provides a modified version to avoid infringement or terminates Customer's right to use the Esri Offerings or Services.

B.5.3 General Indemnity. Esri will defend and hold all Indemnitees harmless from, and indemnify any Loss arising out of, any Claim for bodily injury, death, or tangible or real property damage brought against any of the Indemnitees to the extent arising from any negligent act or omission or willful misconduct by Esri or its directors, officers, employees, or agents performing Services while on Customer's site.

B.5.4 Conditions for Indemnification. As conditions for indemnification, but for those defined as Infringement Claims (see B.5.2 c.), Indemnitee will (i) promptly notify Esri in writing of the Claim, (ii) provide all available documents describing the Claim, (iii) give Esri sole control of the defense of any action and negotiation related to the defense or settlement of any Claim, and (iv) reasonably cooperate in the defense of the Claim at Esri's request and expense.

B.5.5 This section sets forth the entire obligation of Esri, its authorized distributor, and its third party licensors regarding any Claim for which Esri must indemnify Customer.

ARTICLE B.6-INSURANCE

If Esri is providing Services, Esri will carry, at a minimum, the following coverage:

a. Comprehensive general liability or commercial general liability with a minimum coverage of \$1,000,000.00 (US dollars) combined single limit per occurrence for bodily injury, including death, and property damage liability to include the following:

1. Premises and operations;
2. Blanket contractual liability;
3. Broad form property damage;
4. Independent contractors;
5. Personal injury, with employee exclusion deleted; and
6. Completed operations.

b. Workers' compensation insurance, with waiver of subrogation, in an amount that complies with statutory limits.

ARTICLE B.7-SECURITY AND COMPLIANCE

B.7.1 Security. Esri publishes its security capabilities at <https://trust.arcgis.com>. Customer may give Esri personnel access to Customer systems or to Customer or third-party personal information, controlled information, or sensitive data if access is essential for Esri's performance of Services and if Esri expressly agrees to such access. Esri will use reasonable administrative, technical, and physical safeguards to protect such data and guard against unauthorized access. Customer bears responsibility to (i) confirm that Esri's published security and privacy controls meet all applicable legal requirements for protection of Customer Content and (ii) upload or share Customer Content through Cloud Services only when it is legal to do so. Esri is not responsible to review Customer Content to ensure compliance with applicable laws and regulations. Customer must contact Esri at securesupport@esri.com for further instruction before providing any Customer Content that requires security measures other than Esri's published security capabilities.

B.7.2 Malicious Code. Esri will use commercially reasonable efforts to ensure that Esri Offerings will not transmit any Malicious Code to Customer. Esri is not responsible for Malicious Code that Customer introduces to Esri Offerings or that is introduced through Third-Party Content.

B.7.3 Export Compliance. Each party will comply with all applicable export and trade sanctions laws

and regulations, including the US Department of Commerce's Export Administration Regulations (EAR), the US Department of State's International Traffic in Arms Regulations (ITAR), the US Department of Treasury, Office of Foreign Assets Control (OFAC) Regulations, and other applicable export laws. Customer will not export, reexport, transfer, release, or otherwise dispose of, in whole or in part, or permit access to or transfer or use of Services or Esri Offerings to any United States embargoed countries currently including Iran, Syria, North Korea, Cuba, Crimea region of Ukraine, the Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR), or denied entities or persons except in accordance with all then-current applicable US government export laws and regulations. Customer will not export, reexport, transfer, or use Services or Esri Offerings for certain missile, nuclear, chemical, or biological activities or end uses without proper authorization from the US government. Customer shall immediately notify Esri in writing if any US government entity or agency denies, suspends, or revokes Customer's export privileges. Customer will not upload, store, or process in Cloud Services any Customer Content that (i) has an Export Control Classification Number (ECCN) other than EAR99 or (ii) is controlled for export from the United States under ITAR. Customer will notify Esri in advance if Esri's performance of any Services or provision of any Esri Offerings is related to any defense article, defense service, or technical data, as defined under the ITAR Sections 120.6, 120.9, and 120.10, respectively; Esri will not perform any such Services or provide any such Esri Offerings until Esri obtains any necessary export license from the US government. Customer will reasonably assist Esri in applying for and obtaining an export license if needed.

B.7.4 Privacy. Esri will process personal data according to the terms of the Data Processing Addendum available at <https://www.esri.com/en-us/privacy/overview>.

ARTICLE B.8-CLOUD SERVICES

B.8.1 Prohibited Uses. Customer shall not provide Customer Content or otherwise access or use Cloud Services in a manner that

- a. Creates or transmits spam, spoofings, or phishing email or offensive or defamatory material; or stalks or makes threats of physical harm;
- b. Stores or transmits any Malicious Code;
- c. Violates any law or regulation;
- d. Infringes or misappropriates the rights of any third party;
- e. Probes, scans, or tests the vulnerability of Cloud Services or breach any security or authentication measures used by Cloud Services without written approval from Esri's Product Security Officer; or
- f. Benchmarks the availability, performance, or functionality of Cloud Services.

B.8.2 Service Interruption. System failures or other events beyond Esri's reasonable control may interrupt Customer's access to Cloud Services. Esri may not be able to provide advance notice of such interruptions.

B.8.3 Customer Content.

- a. Customer grants Esri and its subcontractors a nonexclusive, nontransferable, worldwide right to host, run, modify, and reproduce Customer Content as needed to provide Cloud Services to Customer. Esri will not access, use, or disclose Customer Content without Customer's written permission except as reasonably necessary to support Customer's use of Cloud Services. Except for the limited rights granted to Esri under this Agreement, Customer retains all its rights, title, and interest in the Customer Content.
- b. If Customer accesses Cloud Services with an application provided by a third party, Esri may disclose Customer Content to such third party as necessary to enable interoperability between the application, Cloud Services, and Customer Content.
- c. Esri may disclose Customer Content if required to do so by law or regulation or by order of a court or other government body, in which case Esri will reasonably attempt to limit the scope of disclosure.
- d. When Customer's use of Cloud Services ends, Esri will either
 1. Make Customer Content available to Customer for download for a period of 30 days unless Customer requests a shorter window of availability or Esri is legally prohibited from doing so; or
 2. Download all Customer Content in Esri's possession to a medium of Customer's choosing and deliver such Customer Content to Customer.Esri will have no further obligations to store or return Customer Content at the conclusion of the Cloud Services.

B.8.4 Removal of Customer Content. Esri may remove or delete Customer Content if there is reason to believe that uploading Customer Content to or using it with Cloud Services materially violates this Agreement. If reasonable under these circumstances, Esri will notify Customer before removing Customer Content. Esri will respond to any Digital Millennium Copyright Act takedown notices in accordance with Esri's copyright policy, available at www.esri.com/legal/dmca_policy.

B.8.5 Service Suspension. Esri may suspend access to Cloud Services (i) if Customer materially breaches this Agreement and fails to timely cure the breach; (ii) if Esri reasonably believes that Customer's use of Cloud Services will subject Esri to immediate liability or adversely affect the integrity, functionality, or usability of the Cloud Services; (iii) for scheduled maintenance; (iv) to enjoin a threat or attack on Cloud Services; or (v) if Cloud Services become prohibited by law or regulated to a degree that continuing to provide them would impose a commercial hardship. When feasible, Esri will notify Customer of any Cloud Services suspension beforehand and give Customer reasonable opportunity to take remedial action.

Esri is not responsible for any damages, liabilities, or losses that may result from any interruption or suspension of Cloud Services or removal of Customer Content as described above.

B.8.6 Notice to Esri. Customer will promptly notify Esri if Customer becomes aware of any unauthorized use of Customer's subscription or any other breach of security regarding Cloud Services.

ARTICLE B.9-GENERAL PROVISIONS

B.9.1 Payment. Customer will pay each correct invoice no later than 30 days after receipt and will remit payment to the address stated on the invoice. Customers outside the United States will pay the authorized distributor's invoices in accordance with the authorized distributor's payment terms.

B.9.2 Feedback. Esri may freely use any feedback, suggestions, or requests for Product improvement that Customer provides to Esri.

B.9.3 Patents. Customer may not seek, and may not permit any other user to seek, a patent or similar right worldwide that is based on or incorporates any Products. This express prohibition on patenting will not apply to Customer's software and technology except to the extent that Products, or any portion thereof, are part of any claim or preferred embodiment in a patent application or a similar application.

B.9.4 Restrictions on Solicitation. Neither party will solicit for hire any employee of the other party who is associated with the performance of Services during the performance of the Services and for a period of 1 year thereafter. This does not restrict either party from publicly advertising positions for hire in newspapers, professional magazines, or Internet postings.

B.9.5 Taxes and Fees; Shipping Charges. Pricing of Esri Offerings and Services that Esri quotes to Customer is exclusive of any and all applicable taxes or fees including, but not limited to, sales tax, use tax, or value-added tax (VAT); customs, duties, or tariffs; shipping and handling charges; and vendor enrollment fees. Esri will add any fees that it is required to pay to the total amount of its invoice to Customer. Esri may include estimated taxes and shipping and handling charges in its quotations but may adjust these fees on invoicing. For Customers outside the United States, the authorized distributor may quote taxes or fees in accordance with its own policies.

B.9.6 Compliance Review. Customer will keep accurate and complete records and accounts pertaining to its compliance with its obligations under this Agreement. Esri or its authorized distributor may conduct a compliance review of these records and accounts with no less than 14 business days' written notice or may appoint an independent third party to conduct such a compliance review on its behalf. Customer will promptly correct any noncompliance identified during the compliance review. Neither Esri nor Esri's authorized distributor may conduct a compliance review of Customer within 12 months after the conclusion of any prior compliance review that does not reveal any material Customer noncompliance.

B.9.7 No Implied Waivers. The failure of either party to enforce any provision of this Agreement is not a waiver of the provisions or of the right of such party thereafter to enforce that or any other provision.

B.9.8 Severability. If any provision of this Agreement is held to be unenforceable for any reason, (i) such provision will be reformed only to the extent necessary to make the intent of the language enforceable, and (ii) all other provisions of this Agreement will remain in effect.

B.9.9 Successor and Assigns. Customer will not assign, sublicense, or transfer Customer's rights or delegate Customer's obligations under this Agreement without Esri's and its authorized distributor's prior written consent, and any attempt to do so without consent will be void. This Agreement will be binding on the respective successors and assigns of the parties to this Agreement. Notwithstanding, a contractor under contract to the government to deliver Products may assign this Agreement and Products acquired for delivery to its government customer upon written notice to Esri, provided the government customer assents to the terms of this Agreement. Upon mutual agreement, Esri's Affiliates may provide Services under the terms of this Agreement; in such cases, the Ordering Documents will identify the Affiliate as the party that provides the Services. Esri's authorized distributors are not Affiliates of Esri.

B.9.10 Survival of Terms. The Glossary of Terms and provisions of the following Articles of these General Terms and Conditions will survive the expiration or termination of this Agreement: "Limited Warranties and Disclaimers," "Limitation of Liability," "Indemnifications," and "General Provisions."

B.9.11 US Government Customer. The Products are commercial items, developed at private expense, provided to Customer under this Agreement. If Customer is a US government entity or US government contractor, Esri licenses or provides subscriptions to Customer in accordance with this Agreement under FAR

Subparts 12.211/12.212 or DFARS Subpart 227.7202. Esri Data and Online Services are licensed or subscribed under the same DFARS Subpart 227.7202 policy as commercial computer software for acquisitions made under DFARS. Products are subject to restrictions, and this Agreement strictly governs Customer's use, modification, performance, reproduction, release, display, or disclosure of Products. Agreement provisions that are inconsistent with federal law regulation will not apply. A US government Customer may transfer Software to any of its facilities to which it transfers the computer(s) on which it has installed such Software. If any court, arbitrator, or board holds that a US government Customer has greater rights to any portion of Products under applicable public procurement law, such rights will extend only to the portions affected. ArcGIS Online has been granted FedRAMP tailored low authorization but does not meet higher security requirements including those found in DFARS 252.239-7010.

8.9.12 Governing Law. This Agreement is not subject to the United Nations Convention on Contracts for the International Sale of Goods.

a. Government Entities. If Customer is a government entity, the applicable laws of Customer's jurisdiction govern this Agreement.

b. Nongovernment Entities. US federal law and the law of the State of California exclusively govern this Agreement, excluding their respective choice of law principles.

B.9.13 Dispute Resolution. The parties will use the following dispute resolution processes:

a. Equitable Relief. Either party will have the right to seek an injunction, specific performance, or other equitable relief in any court of competent jurisdiction without the requirement of posting a bond or proving injury as a condition for relief.

b. US Government Agencies. This Agreement is subject to the Contract Disputes Act of 1978, as amended (41 USC 601-613).

c. Other Government Entities. Esri will comply with mandatory dispute resolutions under applicable law.

d. Arbitration. Except as noted above, the parties will submit to binding arbitration to resolve any dispute arising out of or relating to this Agreement that cannot be settled through negotiation. If Customer is in the United States or one of its territories or outlying areas, the Commercial Arbitration Rules of the American Arbitration Association will govern the arbitration proceedings. If Customer is outside the United States, the Rules of Arbitration of the International Chamber of Commerce will govern the proceedings. The parties will select a single arbitrator in accordance with the applicable arbitration rules. The language of the arbitration will be English. Arbitration will be at an agreed-upon location. Either party will, at the request of the other, make available documents or witnesses relevant to the major aspects of the dispute.

B.9.14 Force Majeure. A party will not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond the party's reasonable control. Such causes may include, but are not limited to, acts of God, war, strikes, labor disputes, cyber attacks, laws, regulations, government orders, or any other force majeure event.

B.9.15 Independent Contractor. Esri is and at all times will be an independent contractor. Nothing in this Agreement creates an employer/employee, principal/agent, or joint venture relationship between Esri or its authorized distributor and Customer. No party has any authority to enter into contracts on behalf of another party or otherwise act on behalf of another party.

B.9.16 Notice. Customer may send notices required under this Agreement to Esri at the following address:

Environmental Systems Research Institute, Inc. Attn.: Contracts and Legal Department

380 New York Street Redlands, CA 92373-8100 USA

Tel.: 909-793-2853

Email: LegalNotices@esri.com

ATTACHMENT C SAMPLE TASK ORDER

Esri Agreement No. __ _

Task Order No. _____

In accordance with the terms and conditions of the above-referenced Agreement between Environmental Systems Research Institute, Inc. ("Esri"), and ____ ("Customer"), _____ ("Customer Address"), this Task Order authorizes preparation and provision of the Deliverables described and in

accordance with the terms, schedule, and start/end date(s) specified below.

1. Scope of Work: *[As applicable, specifically identify and describe Deliverables including custom code, map data, technical data (including technical assistance), and the resources to be provided by Customer (including Customer-supplied personnel, software, hardware, and digital or hard-copy data) and place of delivery and location where technical assistance will be provided.]*

In addition to the foregoing, Customer agrees that its employees, representatives, and subcontractors will cooperate and communicate with Esri during performance of this Task Order. Without cost to Esri, Customer shall provide, allow access to, or assist Esri in obtaining all data Esri requests for performance of this Task Order, including, but not limited to, (1) copies of previously prepared reports, maps, plans, surveys, records, and other documents in the control or possession of Customer and (2) copies of ordinances, codes, regulations, or other governmental documents.

2. Contract Type: *[Firm Fixed Price (FFP) or Time and Materials (T&M)]*:

3. Total Task Order Value (if FFP) or Not-to-Exceed Value (if T&M):

4. Customer Address for the Receipt of Esri Invoices:

5. Delivery Schedule or Start/End Date(s) for Each Deliverable:

6. Special Considerations:

7. Esri Project Manager: *[insert name, telephone, fax, and email address]*

Esri Senior Contract Administrator: *[insert name, telephone, fax, and email address]*

Customer Project Manager: *[insert name, telephone, fax, and email address]*

Customer Senior Contract Administrator: *[insert name, telephone, fax, and email address]*

Customer Accounts Payable Contact: *[insert name, telephone, fax, and email address]*

ACCEPTED AND AGREED:

[sample only-do not sign] (Customer)

Signature: *[sample only-do not sign]*

Printed Name: _____ Title: _____ Date: _____

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. (Esri)

Signature: *[sample only-do not sign]*

Printed Name: _____ Title: _____ Date: _____

ATTACHMENT D
TIME AND MATERIALS RATE SCHEDULE

See Quotation for Pricing.

[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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY, CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Memorandum

TO: Chris McCartt, City Manager
FROM: Jake White, GIS Manager
DATE: August 10, 2022
RE: Local Government Enterprise License Agreement with Environmental Systems Research Institute (ESRI)

As you are aware, the City of Kingsport's GIS Division has used ESRI's geographic information system software since 1992. We have continued our yearly software maintenance agreement with ESRI since that time. Recently the City of Kingsport's utilization of ESRI's GIS software has reached a level that it is more cost effective to license the software through a Local Government Enterprise License Agreement (ELA).

City Code Section 2-599 permits the City Manager to enter in to a one source contract when it is determined to be in the best interest of the City of Kingsport. It is my opinion that this ELA agreement with ESRI warrants such simply because ESRI is the sole provider of our current GIS software.

If you are in agreement with this recommendation I would ask that you sign below in order to have documentation in the file. Should you have any questions please feel free to contact me.

Approved: Chris McCartt Date: 8-10-22



AGENDA ACTION FORM

A Resolution Awarding the Bid for the Purchase of Road Salt for FY23

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

Action Form No.: AF-251-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: R. McReynolds

Recommendation:

Approve the resolution.

Executive Summary:

Bids were opened on August 5, 2022 for the purchase of road salt for use by the Public Works Department on an as needed basis. This bid was issued by the City of Knoxville, TN as a cooperative bid with thirteen East Tennessee government agencies participating. It is recommended to award the primary bid for the purchase of road salt to the apparent low bidder Compass Minerals America, Inc., at a cost of \$127.10 per ton. The estimated annual cost is \$508,400.00 based on purchasing 4,000 tons. The City included an option in the bid documents to be able to purchase up to an additional 2,000 tons of road salt if needed. It is also recommended to allow the Procurement Department to purchase salt from TN State Contract # 507 in the event that a secondary source for Road Salt is needed.

The City is not required to purchase road salt unless and until it is needed.

Funding up to \$200,000.00 is identified in account number 12140244613038. The City has not spent more than \$160,000.00 during a fiscal year for salt since 2016.

Attachments:

1. Resolution
2. 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: *aw*

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

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ROAD SALT TO COMPASS MINERALS AMERICA, INC., AS A PRIMARY SOURCE AND FROM THE STATE CONTRACT VENDOR, AS A SECONDARY SOURCE; AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

WHEREAS, bids were opened on August 5, 2022, for the purchase of road salt for use by public works on an as needed basis; and

WHEREAS, upon review of the bids, the board finds Compass Minerals America, Inc., is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work, or service desired and it is in the best interest and advantage to the city, and the City of Kingsport desires to purchase road salt from Compass Minerals America, Inc., as a primary source, at a cost of \$127.10 per ton, with an estimated annual cost of \$508,400.00, based on 4,000 tons, with the option to purchase an additional 2,000 tons if needed; and

WHEREAS, the city is not required to purchase road salt unless and until it is needed.

WHEREAS, in the event an alternate source is needed, it is recommended to allow the Procurement Department to purchase salt from TN State Contract # 507 on an as needed basis; and

WHEREAS, funding up to \$200,000 is identified in 12140244613038. The City has not spent more than \$160,000 during a fiscal year for salt since 2016.

Now therefore,

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

SECTION I. That the bid for purchase of road salt for use by the public works department is awarded to Compass Minerals America, Inc., as the primary source at a cost of \$100.81 per ton, with an estimated annual cost of \$508,400.00, based on 4,000 tons, with the option to purchase an additional 2,000 tons if needed and the city manager is authorized to execute blanket purchase orders for the same.

SECTION II. That the bid for purchase of road salt for use by the public works department is awarded to TN State Contract # 507 as the secondary source on an as needed basis, and the city manager is authorized to execute blanket purchase orders for the same

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

MEMORANDUM

August 10, 2022

TO: Brent Morelock, Procurement Manager
FROM: Tim Elsea, Assistant Public Works Director
SUBJECT: Rock Salt Bid Award

Greg Willis and I have reviewed the recent bids for Rock Salt.

Our recommendation for the Rock Salt bid would be to award to Compass Minerals America, Incorporated as the primary vendor. They were low bidder. We would like to have the option to purchase Road Salt from TN State Contract # 507 in the event an additional source is needed. This would be a safeguard for the City having a purchasing option with them in case of an emergency situation such as a bad winter where salt supply or delivery becomes an issue.

If you have any questions please contact me at your convenience at 229-9451.



AGENDA ACTION FORM

A Resolution Approving a Tax Increment Financing Amendment for the Downtown Kingsport Redevelopment District – Brickyard Village

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

Action Form No.: AF-256-2022
Work Session: August 22, 2022
First Reading: N/A

Final Adoption: August 23, 2022
Staff Work By: John Rose
Presentation By: C. McCartt

Recommendation:

Approve the resolution.

Executive Summary:

This is the former location of the General Shale factory and has sat vacant for numerous years serving as a blighting influence on the surrounding area. The property is in a voluntary brownfield agreement and a redevelopment district. This is the last portion of the Brickyard area that needs redevelopment. The request is for approximately \$9,500,000.00 in increment financing for the completed project over 25 years. The project will include 386 housing units along with a community walking path, pool, and event space. Total project represents an investment of \$100 M by the developer.

Due to the complex nature of the site and unknown variables a TIF has been requested for development. The total current property tax assessment for the project area is 0\$. The Redevelopment Project would result in a total estimated assessed value for property within the Project Area of \$ 23,306,823.00 (based on a \$ 61,023,308.00 tax appraised value). Based on current tax rates, and after the TIF has matured, this would result in total estimated annual city taxes of \$463,805.00 and total estimated annual county taxes of \$560,808.00.

KHRA held a public hearing on August 17, 2022 and approved the Tax Increment Financing Amendment for the Brickyard Village project. The Sullivan County Commission approved the TIF Amendment for the project at their regular meeting on August 18, 2022.

Attachments:

1. Resolution
2. TIF Amendment
3. Map

Funding source appropriate and funds are available: *Jim*

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: *me*

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A TAX INCREMENT FINANCING
AMENDMENT FOR THE DOWNTOWN KINGSPORT
REDEVELOPMENT DISTRICT – BRICKYARD VILLAGE
PROJECT

WHEREAS, the Board of Mayor and Alderman has previously approved the *Redevelopment Plan for Core Urban Areas*, as prepared by the Kingsport Housing & Redevelopment Authority ("KHRA"), which redevelopment plan included an area in the city designated as the "Downtown Kingsport Redevelopment District;" and,

WHEREAS, KHRA held a public hearing on August 17, 2022, and thereafter approved the *Downtown Kingsport Redevelopment District – Brickyard Village Project Tax Increment Financing Amendment*, a copy of which is attached to this Resolution as Exhibit A (the "Brickyard Village TIF Amendment"); and,

WHEREAS, KHRA has recommended that the Board of Mayor and Alderman approve the Brickyard Village TIF Amendment; and

WHEREAS, the Board of Mayor and Alderman has reviewed the record of said public hearing and the Brickyard Village TIF Amendment, including the provisions therein for tax increment financing, and desires to approve the same.

Now therefore,

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

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

SECTION II. That the use of tax increment financing in support of a residential redevelopment project known as Brickyard Village as described in the Brickyard Village TIF Amendment is hereby approved.

SECTION III. That KHRA is hereby authorized and empowered to implement the Downtown Kingsport Redevelopment Plan and Brickyard Village TIF Amendment on behalf of the City of Kingsport, Tennessee.

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B ROWLETT, III, CITY ATTORNEY

**DOWNTOWN KINGSFORT REDEVELOPMENT DISTRICT
BRICKYARD VILLAGE PROJECT
TAX INCREMENT FINANCING AMENDMENT**

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

A. District History.

The Downtown Kingsport Redevelopment District was designated as a Redevelopment District by Kingsport Housing & Redevelopment Authority ("KHRA") in 2001 and later revised to include a TIF Amendment for the District in 2008. The Redevelopment District was expanded in 2021 to include the areas commonly known as Brickyard Park and Cement Hill. The Downtown Kingsport Redevelopment District includes over 300 acres of real property and hundreds of tax parcels which contains a wide variety of commercial and residential uses.

The Cement Hill section of the Expansion Area consists of approximately 38 acres of vacant land which was previously industrially developed land used for the Penn-Dixie Cement Plant. This property currently is subject to restrictions on disturbing portions of the land due to its industrial nature with cement kiln dust being buried. As a result, this property has been vacant for decades and is in need of redevelopment.

The Brickyard Park section of the Expansion Area consists of approximately 109 acres which was previously used for various industrial purposes including the production of bricks. However, this property has remained vacant and underutilized since the plant closed in 2008. Approximately 57 acres of this property is currently subject to a Brownfield Voluntary Agreement with the Tennessee Department of Environment and Conservation and is further subject to Land Use Restrictions of record in Deed Book 3465 Page 493 of the Register of Deeds of Sullivan County, Tennessee which place limits on the types of and manner of development of the property. This property also contains significant sections of deteriorated concrete and asphalt which will need to be removed prior to any redevelopment. A portion of this property has been redeveloped by the City of Kingsport as a park but the remaining portion remains vacant and in need of redevelopment.

The Downtown Kingsport Redevelopment District is shown on the map attached as Exhibit One ("Redevelopment District"). The Brickyard Village Project Area of the Downtown Kingsport Redevelopment District is shown on the map attached as Exhibit Two ("Project Area"). The Brickyard Village project is adjacent to the City's central business district of

Downtown Kingsport and its redevelopment will serve as a catalyst for improvements in the entire Redevelopment District.

The Project Area of the Redevelopment District is currently vacant and consists of large concrete and asphalt areas which are dilapidated and constitutes a deleterious land use which negatively impacts the welfare of the neighboring areas. As noted above, approximately 57 acres of this property is currently subject to a Brownfield Voluntary Agreement with the Tennessee Department of Environment and Conservation and is further subject to Land Use Restrictions which place limits on the types of and manner of development of the property. Delay of the redevelopment of the Project Area will continue to have a blighting influence on the adjacent areas. The use of TIF will allow the redevelopment of a site which has remained undeveloped for many years. The existing blight within the Project Area would be eliminated by implementation of the proposed Redevelopment Project. The presence of approximately 377 new housing units will substantially increase economic activity in and around the Redevelopment District. Redevelopment of this area via the proposed Project would also help alleviate the shortage of housing options in the Kingsport and Sullivan County markets which are critical to assist area businesses in recruiting new employees to the area.

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

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

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

B. District Zoning and Land Use.

The redevelopment of the District shall comply with the Zoning Ordinances and building codes as well as other applicable rules, laws, ordinances, codes and regulations of the City. KHRA shall also review the Plan and any redevelopment projects within the District with appropriate City agencies and officials to ensure that the Plan and the proposed redevelopment activities conform with local objectives relating to appropriate land uses, improved traffic flow, public transportation, public utilities, recreation and community facilities and other public improvements and needs. For a more complete description of the requirements and restrictions of the Zoning Ordinances of the City, reference should be made to the Ordinances themselves. This property is currently zoned Planned Development (PD) by the City of Kingsport with no plans to revise that designation.

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

C. Estimated Cost of the Project.

The total estimated costs of all the proposed improvements to be made by Edens Investments, Inc. (the "Developer") for Brickyard Village is \$101,481,398. Substantial investment will also be made through the construction of single family homes by third party contractors on lots set aside for resale. The proposed improvements to be performed by the Developer include removal of the existing asphalt, grading, storm water and utilities, public and private roads, sidewalks, landscaping, lighting, an event space to be donated to the City and other related amenities. The housing units to be constructed are as follows:

	Approx. # of Units	Square Footage
Townhomes	70	1200-1500
Apartments	204	750 - 1300
Duplexes	52	1200-1500
Single Family rental	30	1500-2000
Single Family lots for resale	21	1500-2000

(hereafter the "Redevelopment Project").

In addition, KHRA will be paid an annual administration fee equal to five percent of the total annual tax increment revenue received by KHRA. The Project will be located upon the following tax parcels: Sullivan County Tax Map 046P, Group F, Control Map 046P, Parcels 009.00 and 010.50. The TIF shall be limited to eligible expenditures for the Redevelopment Project within the Project Area.

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

The primary sources of revenue to pay for the Redevelopment Project are developer equity and loan proceeds in the approximate amount of \$ 91,679,398.00 from a permanent loan to the Developer and tax increment based debt (to be issued by the KHRA in the form of bonds, notes, or other indebtedness) in a total amount not to exceed \$ 9,500,000.00, but in no event in an amount to exceed the estimated amount of debt that can be amortized within the time periods provided herein, all of which is hereby authorized by City of Kingsport (the "City") and Sullivan County, Tennessee (the "County"). Current projections suggest that the tax increment from the proposed improvements within the Project Area will be sufficient to retire this amount of indebtedness within a 25 year principal amortization period.

The total current property tax assessment for the Project Area is \$ 0. This results in annual property tax payments to the City in the amount of \$ 0 and annual property tax payments to the County in the amount of \$ 0. The Redevelopment Project would result in a total estimated assessed value for property within the Project Area of \$ 23,306,823 (based on a \$ 61,023,308 tax appraised value) . Based on current tax rates, this would result in total estimated annual city taxes of \$463,805 and total estimated annual county taxes of \$560,808. Because Sullivan County has dedicated \$0.3369 of its \$ 2.4062 tax rate for repayment of indebtedness and the City of Kingsport has dedicated \$0.33 of its \$ 1.99 tax rate for repayment of indebtedness, that portion of the increment, pursuant to Tenn. Code Ann. §§13-20-205 and 9-23-103, shall not be allocated as provided in Paragraph G below but shall be collected and paid to the respective taxing agency as all other property taxes are collected and paid. Thus, the estimated total available increment from Sullivan County taxes after the statutory debt service set aside but prior to any county holdback is \$482,288. The estimated total available increment from City of Kingsport taxes after statutory debt service set aside but prior to any holdback is \$ 386,893. However, this amendment provides in Paragraph G that 10% of the tax increment shall be retained by the City and County resulting in an estimated total annual available tax increment after holdbacks and KHRAs administrative fees of \$ 743,150. The combined new tax revenue above the current base as a result of this Project would be \$126,749 to the County and \$115,601 for the City. A detailed calculation of these estimated projections is attached hereto as Exhibit Three. The redevelopment of the Project Area will not occur to the degree proposed without the use of tax-increment financing.

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

The principal amortization period for any indebtedness backed by the tax-increment revenue generated within the Project Area shall be no more than 25 years. In any event, the final maturity date of all indebtedness issued pursuant to this Amendment shall be on or before May 15, 2055. Upon retirement of all bonds, loans, or other indebtedness incurred and payable from tax-increment funds, or at such time as monies on deposit in the tax-increment fund or funds are sufficient for such purpose, all property taxes resulting from the incremental development of the project shall be retained by the appropriate taxing agency for disbursement according to law.

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

The total assessment of the City of Kingsport's real property tax base for the 2019 tax year is approximately \$ 1,878,156,270. The total assessment of Sullivan County's real property tax base for the 2019 tax year is approximately \$3,847,748,820. The current assessment of the Project Area represents 0.0000% of the City of Kingsport's property tax base and 0.0% of the Sullivan County property tax base. The estimated assessment of the Proposed Improvements would represent 1.24 % of the current City of Kingsport tax base and 0.6% of the current Sullivan County tax base. Based on these small percentages, the City and the County (the two taxing agencies affected by this Redevelopment Project) will not be substantially impacted financially by this tax-increment financing provision.

The development of the Redevelopment Project will result in additional residents and economic activity within the Redevelopment District. It is estimated approximately 782 total jobs could be created during the construction phase of the Redevelopment Project with a total annual economic impact of \$ \$5,790,000 to this area. In addition, the long term impact includes the addition of residents to the Downtown Kingsport area which results in significant additional local taxes and other revenue for local governments. While all these numbers rely on certain assumptions and projections, the end result of the Redevelopment Project is that a need for housing has been met and the City and County will receive a substantial economic boost.

G. Division of Property Taxes.

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

1. The portion of the taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property within the Project Area as of the 2022 tax year (which is the year of approval of this TIF amendment) ("Base Assessment"), shall be allocated to, and when collected, shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which taxes of the Project Area are less than the Base Assessment and the Dedicated Taxes, there shall be allocated and paid to those respective taxing agencies only those taxes actually imposed and collected; and provided further, that, in any year or years in which the Base Assessment would be diminished solely due to a rate reduction under Title 67, Chapter 5, Part 17, of the Tennessee Code, the Base Assessment shall nevertheless be established at the amount originally determined.

2. Subject to the restraints herein and applicable law, ten percent (10%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid into a special fund or funds of KHRA to pay the administration fee and to pay the principal of and interest on any bonds, loans or other indebtedness incurred or to be incurred by KHRA to finance or refinance, in whole or in part, eligible redevelopment expenses of the Redevelopment Project contemplated by the Redevelopment Plan, and such other expenses as may be allowed by law. The remaining ninety percent (90%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid to the respective taxing agencies in the same manner as taxes on all other property are paid.

3. Upon retirement of all bonds, loans or other indebtedness incurred by KHRA and payable from such special fund or funds, or at such time as monies on deposit in such special fund or funds are sufficient for such purpose, all taxes levied each year in excess of the Base Assessment and Dedicated Taxes shall, when collected, be paid to the respective taxing agency as taxes levied by such taxing agencies on all other property are paid, and KHRA shall give notice to all affected taxing agencies of such retirement. Excess taxes beyond amounts necessary to fund or reserve for eligible expenditures may be applied to principal and

interest of debt incurred to finance such eligible expenditures or shall revert to the taxing agency general fund. In any event, the division of property taxes required by this document shall not continue for any tax year beyond 2054.

H. Property Tax Assessments and Collection.

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

2. In any year in which there exists a tax increment to be allocated to KHRA, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the assessor shall extend the aggregate tax rate of such taxes against the Base Assessment and the incremental value and shall apply the taxes collected there from as provided herein.

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

I. Documentation for Assessor's Office.

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

J. Excluded Taxes.

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

K. Interpretation.

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

L. Conditions of Tax Increment.

KHRA shall enter into a redevelopment agreement with Developer which requires Developer to pursue and complete the Redevelopment Project in a diligent manner, and in accordance with plans and specifications approved by KHRA including provisions that obligate the Developer to construct or cause the construction of the housing units and other improvements as set forth in this plan. The redevelopment agreement to be entered into between KHRA and Developer shall contain such terms as KHRA believes reasonably necessary to accomplish this purpose. The tax increment financing authorized pursuant to this Amendment may be divided into multiple separate TIF loans which may be phased in such manner, in such amounts and on such terms as KHRA deems advisable. KHRA shall also have the authority to group the various tax parcels to be created within Project Area into separate TIF zones as it deems advisable and pledge the TIF revenue from each separate TIF zone for the repayment of separate TIF loans as it deems advisable to achieve the purposes of this Amendment. However in no event shall the combined loan amounts for the Project Area as a whole exceed \$9,500,000.00, nor shall the principal amortization period for any TIF Indebtedness exceed 25 years and in no event shall the TIF Revenue from any portion of the Project Area be allocated beyond the tax year 2054. Pursuant to *Tenn. Code Ann. 9-23-103*, KHRA may separately group one (1) or more parcels within the Project Area for purposes of calculating and allocating the tax increment revenues hereunder, and in such cases, the allocation of tax increment revenues shall be calculated and made based upon each such parcel or group of parcels, and not the entire area subject to the plan. KHRA may also allocate the tax increment revenues with respect to any parcel or group of parcels within the Project Area to begin in different years in order to match tax increment revenues with the purposes for which such revenues will be applied as determined in KHRA's discretion but in no event shall the TIF Revenue for any portion of the Project Area be allocated for more than 25 years in total.

EXHIBIT ONE

MAP OF DOWNTOWN KINGSPORT REDVELOPMENT DISTRICT

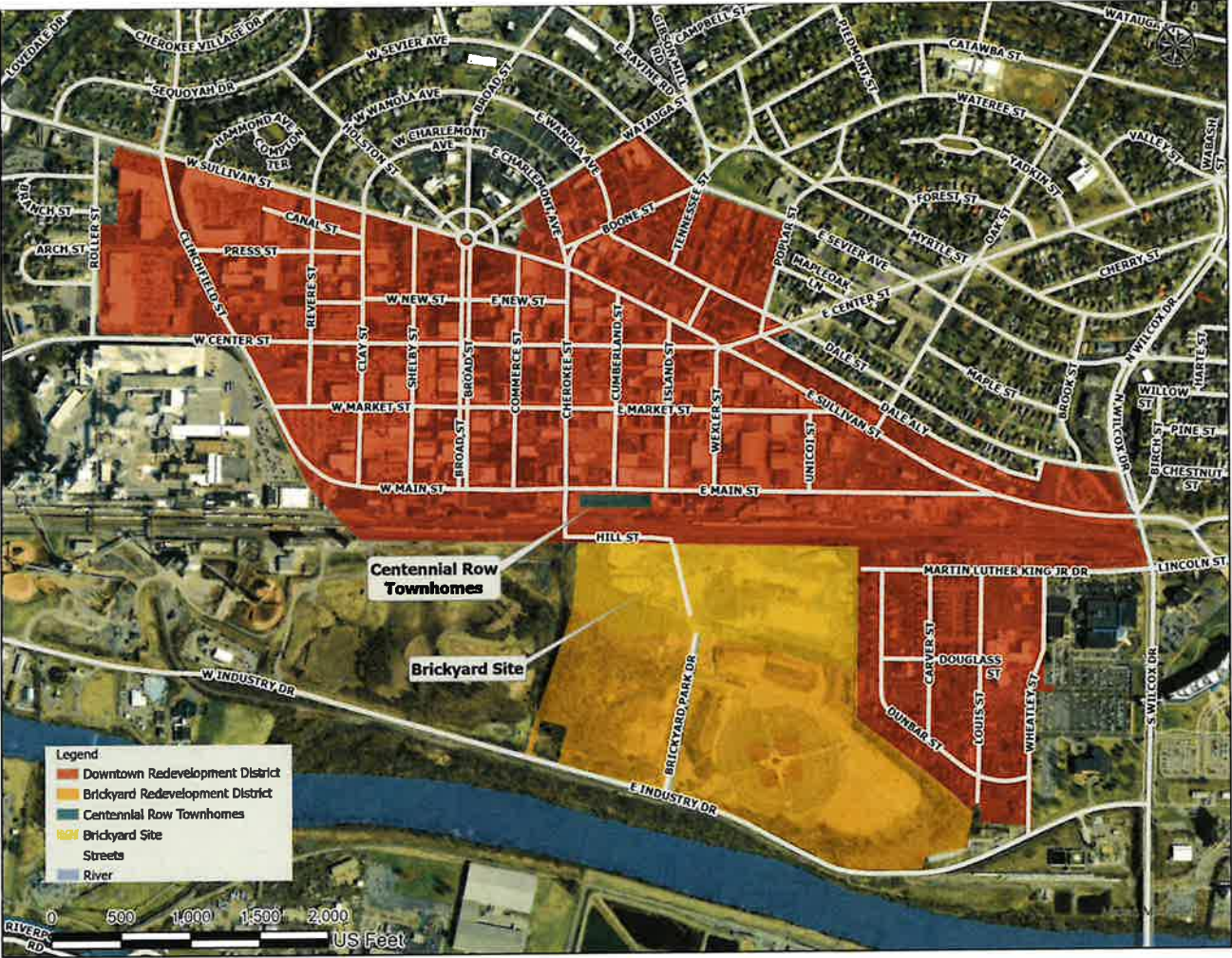


EXHIBIT TWO

MAP OF DOWNTOWN KINGSPORT REDVELOPMENT DISTRICT BRICKYARD VILLAGE PROJECT AREA



EXHIBIT THREE

TIF ESTIMATE BRICKYARD VILLAGE PROJECT AREA DOWNTOWN KINGSFORT REDEVELOPMENT DISTRICT

Total Original Assessed Base Value	\$0.00
County Tax Rate	2.4062
City Tax Rate	1.99
Total New Assessed Value	\$23,306,823.00
County Debt Service Rate	.3369
City Debt Service Rate	.33
Total County Taxes	\$560,808.78
Base County Taxes	\$0.00
County Increment	\$560,808.78
County Debt Service Set Aside	\$78,520.69
Available County Increment after Debt Service	\$482,288.09
County Increment after 10% Holdback	\$434,059.28
County Increment after Admin Fee	\$412,356.32
Total City Taxes	\$463,805.78
Base City Taxes	\$0.00
Proposed City Increment	\$463,805.78
City Debt Service Set Aside	\$76,912.52
Available City Increment after Debt Service	\$386,893.26
City Increment after 10% Holdback	\$348,203.94
City Increment after Admin Fee	\$330,793.74
Total City and County Increment available for Debt Service	\$743,150.05
Annual New Benefits to City (retained increment & debt service)	\$115,601.84
Annual New Benefits to County (retained increment & debt service)	\$126,749.50



AGENDA ACTION FORM

A Resolution Approving a Tax Increment Financing Agreement Amendment for the Downtown Kingsport Redevelopment District – Centennial Project

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

Action Form No.: AF-257-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: John Rose
 Presentation By: C. McCartt

Recommendation:

Approve the resolution.

Executive Summary:

This is the former location of the Citizen Supply warehouse and has sat vacant for numerous years serving as a blighting influence on the surrounding area. The property is along the Main Street corridor and is in a redevelopment district. The property is in the middle of downtown redevelopment efforts and lies in between the original Citizen Supply building and the old Kingsport Grocery, both of which are being redeveloped by private parties. The request is for approximately \$500,000.00 in increment financing for the completed project over 25 years. Total invested is estimated to be \$1.5 M.

Due to the complex nature of the site and unknown variables a TIF has been requested for development. The total current property tax assessment for the project area is 0\$. The Redevelopment Project would result in a total estimated assessed value for property within the Project Area of \$ 1,516,800.00 (based on a \$3,792,000.00 tax appraised value). Based on current tax rates, and after the TIF has matured, this would result in total estimated annual city taxes of \$30,184.00 and total estimated annual county taxes of \$36,497.00.

KHRA held a public hearing on August 17, 2022 and approved the Tax Increment Financing Amendment for the Centennial Row project. The Sullivan County Commission approved the TIF Amendment for the project at their regular meeting on August 18, 2022.

Attachments:

1. Resolution
2. TIF Amendment
3. Map

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: *jm*

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A TAX INCREMENT
FINANCING AGREEMENT AMENDMENT FOR THE
DOWNTOWN KINGSFORT REDEVELOPMENT
DISTRICT- CENTENNIAL ROW PROJECT

WHEREAS, the Board of Mayor and Alderman has previously approved the *Redevelopment Plan for Core Urban Areas*, as prepared by the Kingsport Housing & Redevelopment Authority ("KHRA"), which redevelopment plan included an area in the city designated as the "Downtown Kingsport Redevelopment District;" and,

WHEREAS, KHRA held a public hearing on August 17, 2022, and thereafter approved the *Downtown Kingsport Redevelopment District – Centennial Row Project Tax Increment Financing Amendment*, a copy of which is attached to this Resolution as Exhibit A (the "Centennial Row TIF Amendment"); and,

WHEREAS, KHRA has recommended that the Board of Mayor and Alderman approve the Centennial Row TIF Amendment; and

WHEREAS, the Board of Mayor and Alderman has reviewed the record of said public hearing and the Centennial Row TIF Amendment, including the provisions therein for tax increment financing, and desires to approve the same.

Now therefore,

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

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

SECTION II. That the use of tax increment financing in support of a residential redevelopment project known as Centennial Row as described in the Centennial Row TIF Amendment is hereby approved.

SECTION III. That KHRA is hereby authorized and empowered to implement the Downtown Kingsport Redevelopment Plan and Centennial Row TIF Amendment on behalf of the City of Kingsport, Tennessee.

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B ROWLETT, III, CITY ATTORNEY

**DOWNTOWN KINGSFORT REDEVELOPMENT DISTRICT
CENTENNIAL ROW PROJECT
TAX INCREMENT FINANCING AMENDMENT**

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

A. District History.

The Downtown Kingsport Redevelopment District was designated as a Redevelopment District by Kingsport Housing and Redevelopment Authority ("KHRA") in 2001 and authorized a TIF Amendment for the District in 2008. The Redevelopment District was expanded in 2021 to include the areas commonly known as Brickyard Park and Cement Hill. The Downtown Kingsport Redevelopment District includes over 300 acres of real property and hundreds of tax parcels which contains a wide variety of commercial and residential uses.

The Downtown Kingsport Redevelopment District is shown on the map attached as Exhibit One ("Redevelopment District"). The Centennial Row Project Area of the Downtown Kingsport Redevelopment District is also shown on the map attached as Exhibit One ("Project Area"). The Centennial Row project will be located on Main Street which is a primary corridor into Downtown Kingsport. The redevelopment of the Main Street corridor area is critical to the transformation of the entire Redevelopment District.

The Project Area of the Redevelopment District is currently vacant and consists of asphalt areas which are dilapidated and constitutes a deleterious land use which negatively impacts the safety and welfare of the neighboring areas. Delay of the redevelopment of this site will continue to have a blighting influence on the adjacent areas. The use of TIF will allow the redevelopment of a site which has remained undeveloped for the past 9 years. The existing blight within the Project Area would be eliminated by implementation of the proposed Redevelopment Project. The presence of approximately 32 new townhomes would increase economic activity in and around the Redevelopment District. Redevelopment of this area via the proposed Project would also help alleviate the shortage of housing options in the Kingsport and Sullivan County markets which are critical to assist area businesses in recruiting new employees to the area.

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

1. Long-term vacant and underutilized property.

2. Deleterious land use.

3. Blighting effect of the continued vacancy and deterioration of the property and impact to the surrounding properties including increased crime in the Redevelopment District

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

B. District Zoning and Land Use.

The redevelopment of the District shall comply with the Zoning Ordinances and building codes as well as other applicable rules, laws, ordinances, codes and regulations of the City. KHRA shall also review the Plan and any redevelopment projects within the District with appropriate City agencies and officials to ensure that the Plan and the proposed redevelopment activities conform with local objectives relating to appropriate land uses, improved traffic flow, public transportation, public utilities, recreation and community facilities and other public improvements and needs. For a more complete description of the requirements and restrictions of the Zoning Ordinances of the City, reference should be made to the Ordinances themselves. This property is currently zoned B-2 by the City of Kingsport with no plans to revise that designation.

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

C. Estimated Cost of the Project.

The total estimated costs of all the proposed improvements to be made by BLB Properties, LLC (the "Developer") for Centennial Row is \$5,185,860. The proposed improvements by the Developer include removal of the existing asphalt, grading, installation of storm water and utilities, construction of public and private parking areas, installation of landscaping, lighting and other related amenities and the construction of approximately 32 townhomes. The townhomes will be approximately 1250 square feet and contain at least 2 bedrooms and 2 baths. The project will specifically include the construction and maintenance of a parking area on City owned property adjacent to the townhomes which will include approximately ten public parking spaces and nine parking spaces reserved for use by townhome occupants (the "Redevelopment Project")

In addition, KHRA will be paid an annual administration fee equal to five percent of the total annual tax increment revenue received by KHRA. The Project will be located upon the following tax parcels: Sullivan County Tax Map 046P, Group F, Control Map 046P, Parcels 003.00, 003.01 and 003.10. The TIF shall be limited to eligible expenditures for the Redevelopment Project within the Project Area.

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

The primary sources of revenue to pay for the Redevelopment Project are loan and equity proceeds in the amount of \$ 4,685,860 from the Developer and tax increment based debt (to be issued by the KHRA in the form of bonds, notes, or other indebtedness) in an amount not to exceed \$ 500,000.00, but in no event in an amount to exceed the estimated amount of debt that can be amortized over the 25 year increment period which is hereby authorized by City of Kingsport (the "City") and Sullivan County, Tennessee (the "County"). Current projections suggest that the tax increment from the proposed improvements within the Project Area will be sufficient to retire this amount of indebtedness within a 25 year amortization period for both the City and the County.

The total current property tax assessment for the Project Area is \$ 0. This results in annual property tax payments to the City in the amount of \$ 0 and annual property tax payments to the County in the amount of \$ 0. The Redevelopment Project would result in a total estimated assessed value for property within the Project Area of \$ 1,516,800 (based on a \$3,792,000 tax appraised value). Based on current tax rates, this would result in total estimated annual city taxes of \$30,184 and total estimated annual county taxes of \$36,497. Because Sullivan County has dedicated \$0.3369 of its \$ 2.4062 tax rate for repayment of indebtedness and the City of Kingsport has dedicated \$0.33 of its \$ 1.99 tax rate for repayment of indebtedness, that portion of the increment, pursuant to Tenn. Code Ann. §§13-20-205 and 9-23-103, shall not be allocated as provided in Paragraph G below but shall be collected and paid to the respective taxing agency as all other property taxes are collected and paid. Thus, the estimated total available increment from Sullivan County taxes after the statutory debt service set aside but prior to any county holdback is \$ 31,387. The estimated total available increment from City of Kingsport taxes after statutory debt service set aside but prior to any holdback is \$25,178. However, this amendment provides in Paragraph G that 10% of the tax increment shall be retained by the City and County resulting in an estimated total annual available tax increment after holdbacks and KHRA administrative fees of \$ 48,363. The combined new tax revenue above the current base as a result of this Project would be \$ 8,248 to the County and \$ 7,523 for the City. A detailed calculation of these estimated projections is attached hereto as Exhibit Two. The redevelopment of the Project Area will not occur to the degree proposed without the use of tax-increment financing.

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

The principal amortization period for any indebtedness backed by the tax-increment revenue generated within the Project Area shall be no more than 25 years from the date of issuance of the debt. In any event, the final maturity date of all indebtedness issued pursuant to this Amendment shall be on or before May 15, 2050. Upon retirement of all bonds, loans, or other indebtedness incurred and payable from tax-increment funds, or at such time as monies on deposit in the tax-increment fund or funds are sufficient for such purpose, all property taxes resulting from the incremental development of the project shall be retained by the appropriate taxing agency for disbursement according to law.

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

The total assessment of the City of Kingsport's real property tax base for the 2019 tax year is approximately \$ 1,878,156,270. The total assessment of Sullivan County's real property tax base for the 2019 tax year is approximately \$3,847,748,820. The current assessment of the Project Area represents 0.0% of the City of Kingsport's property tax base and 0.0% of the Sullivan County property tax base. The estimated assessment of the Proposed Improvements would represent 0.081% of the current City of Kingsport tax base and 0.040% of the current Sullivan County tax base. Based on these small percentages, the City and the County (the two taxing agencies affected by this Redevelopment Project) will not be substantially impacted financially by this tax-increment financing provision.

The development of the Redevelopment Project will result in additional residents and economic activity within the Redevelopment District. An estimated 48 total jobs could be created during the construction phase of the Redevelopment Project and a total estimated economic impact to this area of \$480,000 per year. In addition, the long term impact includes the addition of residents to the Downtown Kingsport area which results in significant additional local taxes and other revenue for local governments. While all these numbers rely on certain assumptions and projections, the end result of the Redevelopment Project is that a need for housing has been met and the City and County will receive a substantial economic boost.

G. Division of Property Taxes.

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

1. The portion of the taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property within the Project Area as of the 2022 tax year (which is the year of approval of this TIF amendment) ("Base Assessment"), shall be allocated to, and when collected, shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which taxes of the Project Area are less than the Base Assessment and the Dedicated Taxes, there shall be allocated and paid to those respective taxing agencies only those taxes actually imposed and collected; and provided further, that, in any year or years in which the Base Assessment would be diminished solely due to a rate reduction under Title 67, Chapter 5, Part 17, of the Tennessee Code, the Base Assessment shall nevertheless be established at the amount originally determined.

2. Subject to the restraints herein and applicable law, ten percent (10%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid into a special fund or funds of KHRA to pay the administration fee and to pay the principal of and interest on any bonds, loans or other indebtedness incurred or to be incurred by KHRA to finance or refinance, in whole or in part,

eligible redevelopment expenses of the Redevelopment Project contemplated by the Redevelopment Plan, and such other expenses as may be allowed by law. The remaining ninety percent (90%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid to the respective taxing agencies in the same manner as taxes on all other property are paid.

3. Upon retirement of all bonds, loans or other indebtedness incurred by KHRA and payable from such special fund or funds, or at such time as monies on deposit in such special fund or funds are sufficient for such purpose, all taxes levied each year in excess of the Base Assessment and Dedicated Taxes shall, when collected, be paid to the respective taxing agency as taxes levied by such taxing agencies on all other property are paid, and KHRA shall give notice to all affected taxing agencies of such retirement. Excess taxes beyond amounts necessary to fund or reserve for eligible expenditures may be applied to principal and interest of debt incurred to finance such eligible expenditures or shall revert to the taxing agency general fund. In any event, the division of property taxes required by this document shall not continue for any tax year beyond 2049.

H. Property Tax Assessments and Collection.

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

2. In any year in which there exists a tax increment to be allocated to KHRA, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the assessor shall extend the aggregate tax rate of such taxes against the Base Assessment and the incremental value and shall apply the taxes collected there from as provided herein.

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

I. Documentation for Assessor's Office.

Upon approval of this Amendment, KHRA shall transmit to the assessor of property and the chief financial officer for each taxing agency affected, a copy of the description of all land within the Project Area (including tax parcel numbers), the date or dates of the approval of the redevelopment plan or amendment thereto, a copy of the resolution approving the redevelopment plan or approving an Amendment thereto, a map or plat indicating the

boundaries of such property and the Base Assessment with respect to the Project Area, and taxes shall thereafter, when collected, be allocated and paid in the manner provided herein.

J. Excluded Taxes.

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

K. Interpretation.

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

L. Conditions of Tax Increment.

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

EXHIBIT TWO

TIF ESTIMATE CENTENNIAL ROW PROJECT AREA DOWNTOWN KINGSPORT REDEVELOPMENT DISTRICT

Total Original Assessed Base Value		\$0.00
County Tax Rate	✓	2.4062
City Tax Rate	✓	1.99
Total New Assessed Value		\$1,516,800.00
County Debt Service Rate	✓	.3369
City Debt Service Rate	✓	.33
Total County Taxes		\$36,497.24
Base County Taxes		\$0.00
County Increment		\$36,497.24
County Debt Service Set Aside	✓	\$5,110.10
Available County Increment after Debt Service		\$31,387.14
County Increment after 10% Holdback		\$28,248.43
County Increment after Admin Fee		\$26,836.01
Total City Taxes		\$30,184.32
Base City Taxes		\$0.00
Proposed City Increment		\$30,184.32
City Debt Service Set Aside	✓	\$5,005.44
Available City Increment after Debt Service		\$25,178.88
City Increment after 10% Holdback		\$22,660.99
City Increment after Admin Fee		\$21,527.94
Total City and County Increment available for Debt Service		\$48,363.95
Annual New Benefits to City (retained increment & debt service)		\$7,523.33
Annual New Benefits to County (retained increment & debt service)		\$8,248.81



AGENDA ACTION FORM

A Resolution Authorizing the City Manager to Purchase Six Trane HVAC Units Utilizing the OMNIA Partners Trane Contract

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

Action Form No.: AF-260-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: D. Frye

Recommendation:

Approve the resolution.

Executive Summary:

The administration desires to purchase six Trane HVAC units for the renovations at the former Sullivan North High School gymnasium, which will be used for the Dobyms-Bennett High School Basketball Teams.

The purchase of the six HVAC units will be made directly with Trane utilizing the OMNIA Partners contract 15-JLP-023.

The purchase price for the units is \$636,100.00.

Funding for the HVAC units is allocated in the Sullivan North High School Renovations budget (Project No. GP1733).

Attachments:

1. Resolution

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
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY
MANAGER TO EXECUTE A PURCHASE ORDER
WITH TRANE FOR SIX HVAC UNITS

WHEREAS, the administration would like to acquire six HVAC units from Trane in accordance with the needs of Kingsport City Schools for use in the Kingsport North Gymnasium; and

WHEREAS, the city is a member of Omnia Partners, a cooperative purchasing group network that 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 12-3-1205; and

WHEREAS, this purchase will be made pursuant to Omnia Partners Contract Number 15-JLP-023; and

WHEREAS, the purchase price for the HVAC units is \$636,100.00; and

WHEREAS, funding is available in the Sullivan North High School Renovations budget.

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 Trane for six HVAC units for the total amount of \$636,100.00.

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

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

ADOPTED this the 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

A Resolution to Approve the Kingsport Regional Planning Commission's Delegation of Authority to City Planning Staff for Certain Final Subdivision Plat Approval

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

Action Form No.: AF-236-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Ken Weems
 Presentation By: K. Weems

Recommendation:

Approve the resolution.

Executive Summary:

During the second session of the 112th General Assembly, state lawmakers approved what became Public Chapter (PC) 994 which amended Tennessee Code Annotated section 13-3-402. Pursuant to this amendment planning commissions across the state are authorized to delegate authority to their respective city planning staffs to grant final plat approval under the following two conditions:

- 1.) To subdivisions of no more than twenty-five lots if the development has received preliminary approval from the regional planning commission.
- 2.) To subdivisions of no more than five lots if the development did not require preliminary approval from the regional planning commission.

This authority, when granted by a planning commission, must be approved by the legislative body of both the municipality and the respective counties where the municipality is situated.

The Kingsport Regional Planning Commission approved the delegation of approval authority to the planning staff during its July 2022 regular meeting.

Pursuant to the requirements of PC 994 both the Sullivan County Commission and Hawkins County Commission will be asked to approve this delegation of authority.

Attachments:

1. Resolution
2. Staff Report
3. Public Chapter 994

Funding source appropriate and funds are available: *Am*

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: *Am*

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

RESOLUTION NO. _____

A RESOLUTION APPROVING THE DELEGATION OF AUTHORITY
BY THE KINGSPORT REGIONAL PLANNING COMMISSION TO
CITY PLANNING STAFF FOR CERTAIN FINAL SUBDIVISION
PLAT APPROVAL

WHEREAS, during the second session of the 112th General Assembly, state lawmakers approved what became Public Chapter (PC) 994, which amended Tennessee Code section 13 – 3 – 402 authorizing planning commissions across the state to delegate authority to their respective city planning staffs to grant final plat approval under specific conditions

WHEREAS, this authority, when granted by a planning commission, must be approved by the legislative body of both the municipality and the respective counties lying in whole or in part within, and subject to, the jurisdiction of the regional planning condition; and

WHEREAS, this approval authority was placed on the agenda for the July 2022 meeting of the duly noticed public meeting of Kingsport Regional Planning Commission at which the delegation of authority was approved by a majority vote of the Kingsport Regional Planning Commission; and

WHEREAS, upon approval by the city, this delegation of authority will be presented to the Sullivan County Commission and Hawkins County Commission for approval.

Now therefore,

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

SECTION I. That the city, pursuant to Tennessee Code Annotated section 13 – 3 – 402, hereby approves the delegation of authority by the Kingsport Regional Planning Commission to city planning staff for certain final subdivision plat approval as permitted by Tennessee Code Annotated section 13 – 3 – 402:

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Subdivision Approval Process – Delegation of Authority

Property Information		City Limits & Planning Region Wide	
Address			
Tax Map, Group, Parcel			
Civil District			
Overlay District			
Land Use Designation			
Acres			
Existing Use		Existing Zoning	
Proposed Use		Proposed Zoning	
Owner /Applicant Information			
Name: Kingsport Regional Planning Commission Address: City: State: Zip Code: Email: Phone Number:		Intent: To delegate approval authority to the staff for certain subdivisions.	
Planning Department Recommendation			
(Approve, Deny, or Defer) The Kingsport Planning Division recommends APPROVAL			
Planner:	Ken Weems	Date:	7/15/2022
Planning Commission Action		Meeting Date:	7/28/2022
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

INTENT

To delegate approval authority to the staff for certain subdivisions.

Introduction:**APPROVAL AUTHORITY**

During the last Legislative Session, lawmakers considered and approved a change to the portion of state law that governs subdivisions and processes related to dividing property. The changes to state law deal primarily with the delegation authority that the Planning Commission has regarding approval of subdivision plats. We were previously operating under a delegated authority for staff to approve any plat that did not need a variance or a surety instrument. State law has now clarified that approval and has limited the delegated authority for staff to final subdivision plats that are no more than twenty-five (25) lots that have received preliminary approval from the Planning Commission. Staff would ask that the Planning Commission delegate this approval authority for final plats that do not exceed twenty-five (25) lots to the planning staff and present the approvals for information purposes at the next regularly scheduled Planning Commission meeting.

Once the authority has been delegated by the Planning Commission, the Kingsport Board of Mayor and Aldermen, the Sullivan County Commission and the Hawkins County Commission will also have to approve the delegation of authority.

RECOMMENDATION:

Staff recommends the delegation of approval authority to the planning staff for final subdivision plats that are no more than twenty-five (25) lots and have received preliminary plat approval by the Planning Commission.



State of Tennessee

PUBLIC CHAPTER NO. 994

HOUSE BILL NO. 2534

By Representatives Tim Hicks, Carr

Substituted for: Senate Bill No. 2692

By Senators Briggs, Bailey, Bowling

AN ACT to amend Tennessee Code Annotated, Section 13-3-402 and Section 13-4-302, relative to planning commissions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-3-402(a)(1), is amended by deleting the language "no more than two (2) lots" and substituting "no more than twenty-five (25) lots if the development received preliminary plan approval through the regional planning commission, or five (5) lots if the development did not require preliminary plan approval through the regional planning commission"; and is further amended by deleting the language "upon certification by the planning staff of the regional planning commission" and substituting "and upon certification by the regional planning commission, or by the planning staff of the regional planning commission if the commission has delegated this responsibility to its planning staff pursuant to subsection (c),".

SECTION 2. Tennessee Code Annotated, Section 13-3-402(b), is amended by deleting the first sentence and substituting:

A county register shall not receive, file, or record a plat of a subdivision, or an amendment, modification, or correction to a recorded plat of a subdivision, without the approval of the regional planning commission, or the planning staff of the regional planning commission if this responsibility has been delegated to the planning staff pursuant to subsection (c), when and as required by this part.

SECTION 3. Tennessee Code Annotated, Section 13-3-402(c), is amended by designating the existing language as subdivision (c)(1) and adding the following new subdivisions:

(2) A regional planning commission may only delegate the responsibility for approval of a subdivision plat that includes:

(A) No more than twenty-five (25) lots and only if the development received preliminary plan approval through the regional planning commission; or

(B) No more than five (5) lots if the development did not require preliminary plan approval through the regional planning commission; provided, that:

(i) The subdivision complies with such regulations governing a subdivision of land as adopted by the regional planning commission pursuant to § 13-3-403;

(ii) No request for a variance from such regulations has been requested; and

(iii) A division of land requiring new road or utility construction is not approved by the planning staff under this subsection (c) unless the plan received preliminary approval by the regional planning commission.

(3) A regional planning commission shall not delegate to its planning staff the authority to preliminarily approve, finalize approval of, or certify a subdivision plat, regardless of the number of lots proposed for the subdivision plan, consistent with the

parameters of this section, unless each county and municipal legislative body, lying in whole or in part within, and subject to, the jurisdiction of the regional planning commission, approves such delegation by a majority vote of their respective legislative bodies.

SECTION 4. Tennessee Code Annotated, Section 13-4-302(a), is amended by deleting the language "no more than two (2) lots" and substituting "no more than twenty-five (25) lots if the development received preliminary plan approval through the municipal planning commission, or five (5) lots if the development did not require preliminary plan approval through the municipal planning commission"; and is further amended by deleting the language "upon certification by the planning staff of the municipal planning commission" and substituting "upon certification by the municipal planning commission, or by the planning staff of the municipal planning commission if the commission has delegated this responsibility to its planning staff pursuant to subsection (d),".

SECTION 5. Tennessee Code Annotated, Section 13-4-302(c), is amended by deleting the first sentence and substituting:

A county register shall not file or record a plat of a subdivision of land, or an amendment, modification, or correction to a recorded plat of a subdivision, within the municipality without the approval of the municipal planning commission, or the planning staff of the municipal planning commission if this responsibility has been delegated to the staff as provided in subsection (d), as required by this part.

SECTION 6. Tennessee Code Annotated, Section 13-4-302, is amended by adding the following new subsection (d):

(d)

(1) A municipal planning commission may delegate the responsibility for approval of a subdivision plat to the planning staff of the municipal planning commission by a majority vote of the municipal planning commission that is taken at a public meeting after being placed on the municipal planning commission's meeting agenda and notice being provided as required for other matters before the municipal planning commission.

(2) This delegation may only include subdivision plats that include:

(A) No more than twenty-five (25) lots and only if the development received preliminary plan approval through the municipal planning commission; or

(B) No more than five (5) lots if the development did not require preliminary plan approval through the municipal planning commission; provided, that:

(i) The subdivision complies with such regulations governing a subdivision of land as adopted by the municipal planning commission pursuant to § 13-4-303;

(ii) No request for a variance from such regulations has been requested; and

(iii) A division of land requiring new road or utility construction is not approved by the planning staff under this subsection (d) unless the plan received preliminary approval by the municipal planning commission.

(3) A municipal planning commission shall not delegate to its planning staff the authority to preliminarily approve, finalize approval of, or certify a subdivision plat, regardless of the number of lots proposed for the subdivision plan, consistent with the parameters of this section, unless the municipal legislative body approves such delegation by a majority vote of the legislative body.

HB2534

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.

HOUSE BILL NO. 2534

PASSED: April 14, 2022



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 4th day of May 2022



BILL LEE, GOVERNOR



AGENDA ACTION FORM

Approve Submittal of a BlueCross BlueShield Healthy Place Grant Application

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

Action Form No.: AF- 233-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Kitty Frazier
 Presentation By: M. Borders

Recommendation:

Approve the resolution.

Executive Summary:

The BlueCross BlueShield of Tennessee Foundation works with government entities to create BlueCross Healthy Places through an annual grant program. The Healthy Places goal is "to provide our neighbors with opportunities for healthy activity and to help strengthen the bonds that form the backbone of our communities". Healthy places are free and open to the public and they're accessible to visitors of all ages and abilities. \$7.5 Million is distributed annually across Tennessee through this program. These grant funds do not require any matching funds from the awarded applicant.

The City of Kingsport owns relatively undeveloped park property located at the intersection of Industry drive, Center Street and Netherland Inn road that is ideal for a Healthy Place site.

Kingsport Parks and Recreation proposes to submit a BlueCross BlueShield grant application to further develop this property into a multi-use park possibly containing a playground, parking, restrooms, walking paths, access to Reedy Creek, multi-sport game court and other unique features. Each awarded BlueCross Healthy Place requires name and branding incorporation into all projects. This new park space will be called BlueCross Healthy Place at Kingsport Riverwalk Park

Attachments:

1. Resolution
2. Location Map
3. BlueCross Blue Healthy Place overview

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: *dw*

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR A BLUECROSS BLUESHIELD HEALTHY PLACE GRANT FROM THE BLUECROSS BLUESHIELD OF TENNESSEE FOUNDATION

WHEREAS, the city, through the Parks and Recreation Department, would like to apply for a Healthy Place grant through the BlueCross BlueShield of Tennessee Foundation, which will provide funds to develop a multi-use park located at the intersection of Industry drive, Center Street and Netherland Inn Road; and

WHEREAS, the Healthy Places goal is “to provide our neighbors with opportunities for healthy activity and to help strengthen the bonds that form the backbone of our communities”, and they are free and open to the public and they’re accessible to visitors of all ages and abilities; and

WHEREAS, this program distributes 7.5 Million annually across Tennessee, and these grant funds do not require any matching funds from the awarded applicant; and

WHEREAS, each awarded BlueCross Healthy Place requires name and branding incorporation into all projects, and this new park space will be called BlueCross Healthy Place at Kingsport Riverwalk Park.

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for a Healthy Place grant through the BlueCross BlueShield of Tennessee Foundation, which will provide funds to develop a multi-use park located at the intersection of Industry drive, Center Street and Netherland Inn Road, which requires no match.

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

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

ADOPTED this the 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



Prepared by the City of Kingsport
Geographic Information System (G.I.S)
Date: 08-4-22
Map File Name: 19865wo12234

0 50 100 150 200
Feet



The BlueCross Foundation is accepting proposals for BlueCross Healthy Place projects Aug. 1-31, 2022.

[APPLY NOW](#)

X



BlueCross
HEALTHY
PLACE



of Tennessee
FOUNDATION



ABOUT US

Stronger Bodies, Stronger Community Bonds



OUR MISSION

We're building BlueCross Healthy Places to provide our neighbors with opportunities for healthy activity and to help strengthen the bonds that form the backbone of our communities.

Fun for Everyone

We're reaching all areas of the state – urban and rural, large and small. Each BlueCross Healthy Place is free and open to the public, and they're accessible to visitors of all ages and abilities, so all of our neighbors can enjoy them.



Making an Impact



AGENDA ACTION FORM

A Resolution to Enter into a Lease with the Kingsport Theatre Guild

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

Action Form No.: AF-255-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Michael Borders
 Presentation By: M. Borders

Recommendation:

Approve the resolution.

Executive Summary:

The Kingsport Theatre Guild has historically been a tenant at the Renaissance Center. The proposed agreement makes minor alterations from the 2017 agreement by providing the Theatre Guild the use of the Theatre for six productions annually and includes an equipment lease. The agreement also establishes responsibility for the Theatre Guild to operate the Audio Visual Equipment for theatre rentals. The lease will be for a 12 month period with the option to renew annually for up to five years.

The lease agreement is for \$4,886.50 annually.

Attachments:

1. Resolution

Funding source appropriate and funds are available: *cm*

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

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH THE
KINGSPORT THEATER GUILD FOR SPACE AT THE
RENAISSANCE CENTER AND AUTHORIZING THE MAYOR TO
EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS
NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE
OF THE AGREEMENT

WHEREAS, the Kingsport Theatre Guild has been a tenant at the Renaissance Center, and would like to renew for another year; and

WHEREAS, the new lease agreement makes minor alterations from the prior agreement by providing the Theatre Guild the use of the theatre for six productions annually and includes an equipment lease, and also establishes responsibility for the Theatre Guild to operate the Audio Visual Equipment for theatre rentals.; and

WHEREAS, the lease will be for a 12 month period with the option to renew annually for up to five years, is for \$4,886.50 annually; and

Now therefore,

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

SECTION I. That a lease agreement with Kingsport Theatre Guild for space at the Renaissance Center is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a lease agreement with Kingsport Theatre Guild for space at the Renaissance Center, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

**RENAISSANCE CENTER
LEASE AGREEMENT**

THIS LEASE, made and entered into as of this 31st day of August, 2022, by and between the City of Kingsport, Tennessee, a municipal corporation (herein called "Landlord"), and Kingsport Theatre Guild, a non-profit corporation (herein called "Tenant").

WITNESSETH:

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

- Premises.** Landlord does hereby lease to Tenant and Tenant leases from Landlord certain space in the building known as the Renaissance Center. Tenant shall have exclusive occupancy of certain areas, One Thousand Three Hundred Eighty-nine (1,389) square feet of floor areas and use of other areas and equipment more specifically described in Exhibit A (herein called "Premises"). Said Premises are located in the City of Kingsport, Sullivan County, Tennessee. This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.
- Term.** The term of this Lease shall be begin on August 31, 2023, and end on August 31, 2024. The Parties shall have the option to renew this Lease for two (2) successive renewal terms of twelve

(12) months each. Each such renewal term shall be upon the same terms, covenants and conditions hereof; except (a) there shall be no further renewal right after the expiration of said second and last renewal term, and (b) rent shall be as provided in Paragraph 4. Such options to renew shall be deemed to have been exercised by Tenant by written notice served upon Landlord no less than 30 days prior to the termination of this Lease on August 31, 2023, or the termination of any successive renewal term. This Lease shall be extended without any further instrument providing the Lease is not terminated for other reasons as stated herein. For the purpose of clarification, if the Tenant exercises all the renewal options as set out in this paragraph, the final renewal will expire on August 31, 2025. This Lease may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such termination.

3. Use. Tenant shall use the Premises for Kingsport Theatre Guild including office functions, rehearsals, performances, classes, workshops, receptions, exhibits, meetings, and fund-raising activities and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

4. Rent. Tenant agrees to pay to Landlord as Rent, without notice or demand, the annual amount of Four Thousand Eight Hundred Eighty-six and 50/100 (\$4,886.50) dollars payable in monthly installments of four Hundred Seven and 21/100 (\$407.21) dollars, in advance, on or before the first day of each and every successive calendar month during the term hereof. The first payment is due on August 1, 2016. Tenant may, from time to time and with Landlord's approval, use additional space at a cost outlined in Exhibit A.

5. Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that is not within the permitted use of the Premises or that will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located, or any of its contents or cause a cancellation of any insurance policy covering said building or any part thereof; or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants or occupants of the Renaissance Center, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose. Building Policies as set by Staff shall govern all building usage. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. Nor shall Tenant commit, or allow to be committed, any waste in or upon the Premises.

6. Compliance with Law. Tenant shall not use the Premises, or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or that may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

7. Repairs and Alterations. Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall coverings, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense.

Upon the expiration or sooner termination of the term hereof Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alteration, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal. Landlord shall, at its sole cost and expense, keep the Premises and every part thereof in good condition and repair, and Landlord shall provide and pay for regular custodial services.

8. Surrendered Premises. By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

9. Liens. Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by

or on behalf of Tenant.

10. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereto; or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof; without first obtaining the written consent of Landlord, which consent need not be given and shall be at Landlord's sole and absolute discretion. Consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.

11. Hold Harmless. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

12. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than one million (\$1,000,000) dollars per occurrence. The limit of any such insurance shall not, however, limit the liability of Tenant hereunder. Insurance required hereunder shall: (a) be in companies acceptable to Landlord; (b) shall name Landlord as a named insured on all such policies; and (c) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurers first giving Landlord thirty (30) days' prior written notice of such proposed action. Tenant shall deliver to Landlord a duplicate original of each such policy, together with a receipt evidencing payment of the premium for such insurance on or before the commencement date of this Lease and at least annually thereafter. Any failure, or non-coverage, by such policy shall not affect the indemnity or hold harmless provisions of this Lease. Duplicate policies or certificates of all such insurance shall be delivered to Landlord not less than ten (10) days prior to each effective date. Additional insurance may be required if use of facility includes activities not herein listed.

13. Rules and Regulations. Tenant shall faithfully observe and comply with any and all rules and regulations that Landlord shall from time to time promulgate and/or modify regulating use and occupancy of the Premises. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant.

14. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, then Tenant's occupancy subsequent to such expiration shall be deemed that of a tenant at will, and in no event a tenant from month to month.

15. Entry by Landlord. Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant.

16. Parking and Common Areas. All parking and common areas and other common facilities made available by Landlord in or about the Renaissance Center shall be subject to the exclusive control and management of Landlord, expressly reserving to Landlord, without limitation, the right to erect and install within said areas, planters, sculpture, or otherwise. The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, and regulations as the

Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas.

17. **Audio Visual Equipment Performance.** The Kingsport Theatre Guild shall be responsible for operating the audio visual equipment for City of Kingsport Theatre Rentals. The Theatre Guild shall bill renters directly using fees approved by City Staff. If the Kingsport Theatre Guild is unable to perform these duties the City may revoke privileges or increase costs in **EXHIBIT A**.

IN WITNESS WHEREOF, the Parties hereto executed this Lease on the day and date first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

EXHIBIT A

KINGSPORT THEATRE GUILD

(Effective August 2022)

1. Spaces Included in this contract for total annual rent of \$4,886.50 (\$407.21 per month):

<u>Room</u>	<u>Description</u>	<u>Square Feet</u>
211	Office	664
209	KTG Practice/Storage	725
Theatre Side Room	Workshop Area	TBD
Total:		1,389

2. Common Areas (halls, restrooms, custodial services parking, electricity, water/sewer, gas, maintenance and contract services) approximately 10,781 square feet.

3. Theatre Guild will be allotted Six (6) productions annually that for no additional cost the Theatre Guild will have access to the Theatre for Ten (10) days beginning on Friday through the following Sunday. Any needed "Tech Week" days and times are not included. The Theatre Guild will submit the proposed production schedule one (1) year in advance. The City at any time shall have priority for the use of any facility as needed.

4. The Theatre Guild as part of their lease will have access to all audio and visual equipment for the Theatre.

5. Use of Gallery, Atriums and Room 228 will be allowed for press conferences and board meetings at no charge. The following rooms may be rented in 3-hour time blocks on an 'as-available' basis.

<u>Room</u>	<u>Cost per 3-hour block</u>
Courtyard	\$20.00
228	\$13.00
230	\$13.00
239	\$20.00
Art Galleries	\$20.00
Theatre*	\$25.00 or \$50.00 per day
310	\$22.00

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 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

A Resolution to Rescind the Award of Mowing & Trimming of Various Locations to Phillips Landscaping

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

Action Form No.: AF-245-2022
 Work Session: August 22, 2022
 First Reading: N/A

Final Adoption: August 23, 2022
 Staff Work By: Committee
 Presentation By: R. McReynolds

Recommendation:

Approve the resolution.

Executive Summary:

Bids were opened on January 25, 2022 for Mowing & Trimming of Various Locations for the Public Works Department. The bid was awarded to Phillips Landscaping on February 15, 2022 and the contract went into effect on March 14, 2022. City representatives have observed that Phillips Landscaping has not been meeting the specifications set forth in the contract. Phillips has been given multiple opportunities to correct deficiencies but they have not performed in accordance with the bid specifications. Pursuant to the bid specifications

The owner of Phillips Landscaping contacted a city representative via phone in the early afternoon on August 11th and stated that they were no longer going to provide mowing services to the city. Therefore, we recommend rescinding the award to Phillips Landscaping. Thomas Quality Lawn Care & Landscaping has agreed to finish out the mowing and trimming for the remainder of the mowing season.

Funding is identified in various City accounts.

Attachments:

1. Resolution
2. Supplemental Information

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: *aw*

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

RESOLUTION NO. _____

A RESOLUTION RESCINDING THE AWARD OF BID FOR THE
MOWING AND TRIMMING OF VARIOUS LOCATIONS THAT
WAS AWARDED TO PHILLIPS LANDSCAPING

WHEREAS, on February 15, 2022, the board passed Resolution No. 2022-161 which in part awarded the bid for mowing & trimming services at various locations for the Public Works Department to Phillips Landscaping; and

WHEREAS, since that time, city representatives have observed that Phillips Landscaping has not been meeting the specifications set forth in the bid and Phillips Landscaping has been given multiple opportunities to correct deficiencies but they have not performed in accordance with the bid specifications; and

WHEREAS, pursuant to the bid specifications city has the right to terminate the services of the vendor due to a failure to perform; and

WHEREAS, on August 11, 2022, the owner of Phillips Landscaping contacted a city representative via phone in the early afternoon and stated that they were no longer going to provide mowing services to the city; and

WHEREAS, Thomas Quality Lawn Care & Landscaping has been a vendor with the city for many years, mowing various locations, and has agreed to finish out the 2022 mowing year at various locations as specified in the bid; and

WHEREAS, funding is identified in various city accounts.

Now therefore,

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

SECTION I. That the award of bid for mowing & trimming services at various locations for the Public Works Department to Phillips Landscaping, approved by the board on February 15, 2022, is hereby rescinded.

SECTION II. That the city manager is authorized to execute purchase orders to Thomas Quality Lawn Care & Landscaping for mowing services at those locations for which Phillips Landscaping is responsible for the remainder of the mowing season.

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

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

ADOPTED this the 23rd day of August, 2022.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



To: Brent Morelock
From: Tamra Rossi
CC: Nikisha Eichmann
Date: August 11, 2022
Re: Mowing Contractor's Job Performance

On January 25, 2022 bids were opened for the Mowing and Trimming Services located at various locations throughout the City. Upon reviewing the bids the board found that Phillips Landscaping was the lowest responsible compliant bidder. The contract was awarded to Phillips Landscaping after being approved by the board of mayor and alderman.

Phillips Landscaping started mowing for the city on April 4, 2022 even though the contract stated they could start mowing as early as March 14, 2022. Prior to bidding the contract, the Phillips Landscaping was provided with maps highlighting the areas that were to be mowed as part of the contract. A meeting was also held with Phillips Landscaping prior to the start of the contract to discuss the requirements of the contract and the City's expectations.

On April 8, 2022 at 7:11 am a text message was sent to Josh Phillips concerning the litter not being picked up prior to his crew mowing at the Lynn Garden clover leaf. He responded and told me that he would let the crew know.

Again on April 12, 2022 at 9:03 am a text message was sent to Josh Phillips concerning the litter not being picked up prior to his crew mowing the Wilcox Dr. medians. He responded that he would tell them again to pick up the litter and the crew told him they were picking up litter but there was a lot of litter starting up from last season. City crews pick up litter when they are not mowing in the winter months. Litter should have not been that bad.

On April 22, 2022 at 2:04 pm a text message was sent to Josh Phillips concerning two areas along Wilcox Dr. that his crews failed to mow. Those areas were at E. Sullivan Ct. near Wilcox Dr. and Sullivan St. and Wilcox Dr. at Dale St. I also sent pictures of the areas that his crew needed to mow. He responded that he would take care of it.

On April 29, 2022 at 2:36 pm a text message was sent to Josh Phillips concerning the mowing at Sullivan Ct., Sullivan St. and Lincoln St. I sent pictures showing him what his crews were responsible for mowing. Later on the same day I was informed by the City's mowing foreman that another area had been missed. This area was located at the bottom of the Wilcox Dr. exit ramp at S. John B. Dennis Hwy. I sent a text message to Josh at 3:07 pm to let him know. He responded that he would tell his crew.

On May 5, 2022 at 2:08 pm I sent a text message and pictures to Josh Phillips about another area the crew was not mowing. This time the area was located on E. Sullivan St. near the intersection of Wilcox Dr. and across from the Sullivan County Health Department. Josh responded that he would send the crew there on that same day.

On May 6, 2022 at 1:14 pm I sent a text message and pictures to Josh Phillips about a ditch along Cleek Rd. that his crew had not mowed. He responded that he would tell the crew to mow it.

On May 9, 2022 at 11:20 am I sent a text message and pictures to Josh Phillips about another area along Meadowview Parkway behind our landscape beds at the golf course that was not being mowed. He told me that he would have the crew mow it.



On May 31, 2022 at 10:22 am I sent a text message to Josh Phillips to ask when the crew would be mowing the 9-1-1 Center located on Unicoi St. I had received a call from an employee at the 9-1-1 Center asking about the mowing because the grass was high. The employee, Richie Hite, stated that the grass had not been mowed recently at the facility. Josh replied that his crew mows it every Tuesday and they would be there on June 1, 2022 to mow it.

On June 6, 2022 at 9:20 am I sent a text to Josh Phillips concerning the mowing at Riverwalk Park. I had driven by the location and noticed that the grass was high. I had also gotten a complaint from a citizen about the grass being high. He checked with his crew and they said they were going to mow it that same day.

On June 14, 2022 at 2:55 pm I sent a text message to Josh Phillips informing him that his crew had not been mowing an area along Meadowview Parkway at the I-26 exit ramps. I was made aware of this by the City's mowing foreman. I also sent pictures from Google Street View showing Josh what was to be mowed. He told me that he would send the crew to mow it that same day.

On June 27, 2022 at 11:34 am I sent any email to Josh Phillips telling him that his crew needed to weed eat at the bridge pillars on Lynn Garden Dr. and the sign and the light pole at the tennis courts at Borden Park had not been weed eaten around. He told me he would have to crew take care of it.

On July 5, 2022 I met with the crew leader from Phillips Landscaping and he had some concerns about what he was mowing on E. Sullivan St. at Lincoln St. I again sent Josh pictures of the areas his crew was supposed to be mowing along with an explanation.

On July 8, 2022 at 11:20 am I sent a text message to Josh Phillips informing him that Fordtown Rd. had not been mowed. I was made aware of this by the City's mowing foreman. Josh responded, "Ok I will let them know. Is this something that has been missed this one time or they haven't been doing and don't know?" I told Josh "I don't think they have been mowing it this year." I sent Josh pictures from Google Street View showing him the area along Fordtown Rd. that was not being mowed. He responded that he would check it over the weekend and they would take care of it.

On July 12, 2022 at 12:39 pm I was driving along Fort Henry Dr. near the Civic Auditorium and witnessed one of Phillips Landscaping's employees weed eating the median without having a safety vest on. I text Josh to tell him to remind his employees that they must wear a safety vest.

On July 14, 2022 at 9:47 am I text Josh to inform him that I had gotten a complaint from a city employee who works at the Renaissance Center about the mowing crew leaving grass all over the sidewalks at the facility after they had finished mowing. I told him they needed to make sure the crew blew the sidewalk off after they mowed.

On July 19, 2022 at 8:11 am I sent a text to Josh about mowing at the 9-1-1 Center located on Unicoi St. I again received a call from Ritchie Hite stating the grass was high. I told him that the grass needed to be mowed by the upcoming Thursday because there was a board meeting at facility. I had to send another text message on July 20, 2022 at 2:37 pm to tell him again that I needed the facility mowed before 3 pm the following day. He told me that they would be there to mow that same day.

On August 4, 2022 at 4:58 pm I sent an email to Josh Phillips about what I discovered at the salt mine on Moreland Dr. earlier in the day. At approximately 12:15 pm I drove by the salt mine located on Moreland Dr. on my way to check on some trees that I had gotten a call about. I noticed the gate at the salt mine was open and no one was around. I thought the crew may had gone to the nearby store to get them something to drink. I came back past the salt mine on my way back to the shop and there still was no one around. I stopped and got out of my vehicle. I then noticed the lock and key to the gate were both laying on the ground outside the gate. I picked up the lock and key and closed the gate. I secured the lock to the gate and left. In the email I sent I included pictures as well. I informed Josh that I had the key in my possession and that his crew needed to make sure the gate was closed and locked. I also pointed out they were



slacking on weed eating at Wilcox Dr. near Sullivan St. and at the Netherland Inn round-about. Josh said he would address both issues.

On August 6, 2022 I received a call from a former city employee asking about high grass in the median of Sullivan Gardens Parkway. Since it was the weekend I was waiting until Monday to send Josh a text message. On Monday August 8, 2020 I was informed that Phillips Landscaping's mowing crew was out in the pouring rain on Saturday the 6th attempting to mow the median. I was also told that I needed to look at the median because it did not look good. Upon inspection, I noticed that there were areas that had been missed. It was as if they did not overlap their mowing deck with what they had mowed. I sent a text to Josh Phillips on August 8, 2022 at 2:39 pm to let him know that he needed to send the crew back out to the median on Sullivan Gardens Parkway because it did not look good. He responded "ok I will have them get it. Thanks!" As of Wednesday August 10, 2022 the areas that were missed had not been mowed.

On August 9, 2022 I was again made aware by the City's mowing foreman that Fordtown Rd had not been mowed. I drove to the location and upon inspection discovered that it had not been mowed. I immediately sent pictures to Josh and wrote "I am on Fordtown Rd. and just took these pictures. Does this look like to you that it has been mowed recently? You put on the past 2 months invoices that it was mowed 4 times. You are supposed to be mowing the strip between the sidewalk and road and weed eat along the guardrail." He replied, "Is this on new Fordtown where the interchange was built? Is it not being mowed far enough of being missed all together?" I responded, "It's the new Fordtown Rd where the Tri-Cities Crossing property is located. It is being missed all together." He responded, "I have told them. I will try to have them do it today if they are around that area of Kingsport."

On August 9, 2022 at 3:00 pm a representative with Boehm Landscaping text me to inform me that the mowing contractor had blown grass in the landscape bed along Sullivan St. Upon inspection of the site, I found the landscape bed to be filled with grass clippings. Boehm's landscape crew was at the locations when I arrived and were raking the grass clippings out of the landscape bed.

Per conversation on August 10, 2022 at approximately 8:35 am with Jeff Winegar, the foreman over mowing for the Leisure Services department and Josh's father, Fordtown Rd was mowed on August 9, 2022. I arrived at the location on Fordtown Rd. to discover that grass was left all over the sidewalks from Tri-Cities Crossing to the end of the sidewalk near Eastern Star Rd. I also noticed that only part of the guardrail was trimmed. It was a very unsatisfactory job.

On August 10, 2022 I also visited other mowing locations that Phillips Landscaping was responsible for mowing. At the following locations only part of the area had been mowed: Exit 66 near the former Carolina Pottery property and the Airport Parkway at the exit ramps at I-81. I have pictures of the areas. Other locations that I visited were Wilcox Dr. at S. John B. Dennis Hwy. In this area only certain areas were mowed. There was very tall grass in front of the Kingsport sign. On Wilcox Dr. near Sullivan St. and down to Center St. there were areas that were not weed eaten and sections that were missed.

Based on the following documented occurrences, it is my recommendation as the city's representative that the contract with Phillips Landscaping be terminated due to unsatisfactory work and billing for areas that were not mowed or only half mowed. In total the City has been billed \$2,890 from April to July for mowing along Fordtown Rd. that had not been done. However, the city has currently only paid the invoices from April to June which is a total of \$2,210.00 Additional documentation can be provided if it is needed.

On August 11, 2022 at 1:55 pm, I received a call from David Phillips owner of Phillips Landscaping stating that today would be his last day. He said that his crew would finish mowing what they had started mowing today and he would send us a bill for what he had mowed for the month of August. His reason for quitting was that he was losing money on the contract and he didn't have enough employees to work. He was having to utilize his landscape crew to mow for the City.



Sincerely,

Michael Thompson

City of Kingsport
Public Works Director

Tamra Rossi

City of Kingsport
Landscaping and Grounds Maintenance Manager