



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, October 16, 2017, 4:30 p.m.
City Hall, 225 W. Center St., Council Room, 2nd Floor**

Board of Mayor and Aldermen

Mayor John Clark, Presiding
Vice Mayor Mike McIntire
Alderman Jennifer Adler
Alderman Joe Begley

Alderman Betsy Cooper
Alderman Colette George
Alderman Tommy Olterman

Leadership Team

Jeff Fleming, City Manager
Chris McCartt, Assistant City Manager for Administration
Ryan McReynolds, Assistant City Manager for Operations
J. Michael Billingsley, City Attorney
Jim Demming, City Recorder/Chief Financial Officer
David Quillin, Police Chief

Craig Dye, Fire Chief
Lynn Tully, Development Services Director
George DeCroes, Human Resources Director
Heather Cook, Marketing and Public Relations Director

1. Call to Order
2. Roll Call
3. Regions Bank/Courtrooms – Facilities – Ryan McReynolds
4. Project Status – Jeff Fleming
5. Review of Items on October 17, 2017 Business Meeting Agenda
6. Adjourn

Next Work Session, Nov. 6: Chamber Programs and Kingsport's Centennial

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

City of Kingsport

Project Status in Pictures



1 Raw Water Project Complete

Join us for a dedication on October 19 at 1:00pm at the Water Treatment Plant.

2 Kingsport Selfie Trail

Snap your way through the Kingsport Selfie Trail! Visit capturekingsport.com for more info.

3 Lily Pad Cove

Update: the platform is in progress. Posts have been set and framing for the deck is underway.

4 Reedy Creek Trunkline

The footer/foundation for the south side support has been completed.

5 Church Circle Renovation

The decagon represents each decade in Kingsport's first 100 years.

6 Downtown Master Plan

A workshop to share ideas about the downtown area is Thursday, October 19 at 7:00pm at the Higher Ed Center.

Status Updates on Active Projects sorted by Cost

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
\$7,500,000.00	Ryan McReynolds	Thompson, Michael	SR 347 (Rock Springs Road) [State & MTPO funded]	No City Funds	12/31/2020	TDOT plans to have a Preliminary ROW plans for review Fall 2017.
\$6,719,995.10	Chad Austin	Chad Austin	Reedy Creek Sewer Trunk Line	SW1706	3/21/2018	Contractor is installing line from Greenbelt to Center St.
\$6,600,000.00	Niki Ensor	Niki Ensor	Water & Wastewater Facilities SCADA/Telemetry Project	WA1700/ SW1700/ SW1603	4/1/2019	Compiling data on existing equipment for CDM. Design continues.
\$4,300,000.00	Chad Austin	Hank Clabaugh	Border Regions Utility Upgrades		2/17/2020	Design to begin January 2018
\$4,186,000.00	Chris McCartt	Mason, David	New KATS Transit Center	GP1718	11/15/2018	Groundbreaking scheduled for 10/3 @ 11:30. Utility coordination, submittals and permitting underway.
\$3,750,000.00	Niki Ensor	Niki Ensor	Chemical Feed Design	WA1403	4/1/2019	Design underway
\$3,740,000.00	Niki Ensor	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	SW1708	6/1/2018	In the process of obtaining easements.
\$3,300,000.00	Michael Thompson	Thompson, Michael	Indian Trail Drive Extension	GP1615	12/31/2017	Final bridge design underway. Utility coordination and ROW exhibit development continue.
\$2,291,714.00	Chad Austin	Mike Hickman	Colonial Heights Ph V Sewer & Water	SW1512/ WA1404	11/15/2017	Contractor working in Chesterfield area.
\$1,926,364.00	Chad Austin	Mike Hickman	Colonial Heights Ph IV Sewer & Water	SW1511	11/30/2017	Sanitary Sewer is available to each property. Crews working on cleanup, paving and seeding.
\$1,700,000.00	Michael Thompson	Thompson, Michael	Main Street Rebuild [City & MTPO Funded]	GP1516	4/1/2021	Public Hearing held 8/21/17. Additional stakeholder meetings continue.
\$1,688,507.50	Chad Austin	Pamela Gilmer	Pendragon Sidewalk & Water Improvement	WA1803	9/18/2018	Construction underway.
\$1,500,000.00	Rob Cole	Harris, David	Bays Mountain Dam Rehabilitation	GP1707	12/31/2017	Drawings anticipated mid-August for review and submission to TDEC 9/1/17.
\$1,250,000.00	Niki Ensor	Niki Ensor	Pipe Gallery Improvements	WA1505	3/31/2018	Finalizing plans.
\$977,566.00	Ronnie Hammonds	Clabaugh, Hank	Wilcox Sidewalk Phase 5 [State & MTPO funded]	MPO15D	11/17/2017	Concrete sidewalk work on the sluice bridge is complete. Concrete sidewalk work on the river bridge continues.
\$961,140.00	Michael Thompson	Thompson, Michael	Stone Drive - Phase 2 (SR 1, US 11W) Sidewalk Improvements from Stonebrook Place Pvt. Dr. to Lynn Garden Drive [95% State Funded 5% City]		8/31/2020	Contract documents underway for consultant contract for survey and design.

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
\$940,000.00	Kitty Frazier	Clabaugh, Hank	Kingsport Greenbelt - Eastern Extension - Phase 1 [Fed. Grant & City funded]	GP1529	12/31/2017	ROW acquisition is ongoing, issues with partial release of leins from lenders has slowed closing on several parcels.
\$831,797.00	Niki Ensor	Hank Clabaugh	Colonial Heights SLS	SW1511	11/30/2017	Final site (paving/electrical/lighting, etc.) preparation is ongoing.
\$697,475.00	Michael Thompson	Thompson, Michael	Stone Drive - Phase 1 (SR 1, US 11W) Sidewalk Improvements from Stonebrook Place Pvt. Dr. to American Way [95% State Funded 5% City]	TBD	12/8/2018	Plans and Design Certification have been submitted to TDOT for review.
\$638,357.70		Clabaugh, Hank	2017 Contracted Paving - Colonial Heights Area		12/1/2017	Paving is expected to begin on October 18th with intersection improvements at Lebanon Road/Ft Henry Drive and Lebanon Rod/Sylvan Road intersections.
\$600,000.00	Kitty Frazier	Mason, David	Riverbend Park	GP1512	1/31/2018	Site surveying is complete. Preparing preliminary master plan.
\$415,000.00	Chad Austin	Chris Alley	SR 93- Fall Branch section (TDOT)		12/31/2020	Project moved to 2019; "B Date" package due 9/26/2018; TDOT Letting Date: December 2018
\$400,000.00	Michael Thompson	Thompson, Michael	Signalization of the SR 126 (Memorial Blvd. at Island Road Intersection [State & MTPO Funded])	MPO15A	9/30/2019	Request for TDOT concurrence submitted 9/5/2017.
\$352,000.00	Chad Austin	Chris Alley	SR 93- Horse Creek/Derby Drive Section (TDOT)		12/31/2021	Project moved to 2020; "B Date" package due 9/25/2019; TDOT Letting Date: December 2019
\$350,000.00	Kitty Frazier	Clabaugh, Hank	Buffalo Grasslands Boardwalk/Greenbelt Connector		12/31/2017	Clearing, grubbing, and grading is underway.
\$245,100.00	Rob Cole	Austin, Chad	Bays Mountain - Pavillion at Lily Pad Cove	GP1707	11/2/2017	Decking installation has begun.
\$221,800.00	Tim Elsea	Elsea, Tim	Lynn Garden Signal System [MTPO & City funded]	MPO15C	1/31/2018	Working thru comments from TDOT for approval of bid documents and plans.
\$218,713.00	Chad Austin	Spud Myrick	Hunt Rd waterline extension	WA1805	12/31/2017	TDEC Approval received. 10/10/17.
\$179,260.00	Tim Elsea	Elsea, Tim	Sullivan Street & Clay Street Signal	GP1740	11/10/2017	Owner supplied pole delivery has been delayed. Anticipated delivery is 10/16. Stansell estimates 3 weeks of work once poles are delivered.
\$172,500.00	Lynn Tully	Mason, David	Church Circle Improvements	GP1224	11/17/2017	Directional drilling for electrical conduit is underway. Tree is scheduled to arrive this week.
\$138,500.00	Kitty Frazier	Clabaugh, Hank	Reedy Creek Terrace Bridge	ST1503	1/23/2018	The footers/foundations for both sides of the bridge are complete.
\$50,000.00		David Edwards	Main St. & Sullivan St. System Upgrades			Coordination underway with KATS site contractor
		Steve Robbins	Bloomington Culvert Replacement			Design underway by engineering (Dave Harris)
	Chad Austin	Pamela Gilmer	Meade Tractor Sanitary Sewer Extension		1/31/2018	Awaiting TDEC approval and acquiring easement.

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	Chris McCartt	Clabaugh, Hank	Carousel Park		6/4/2018	Little Tikes has been chosen for the playground equipment vendor.

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Friday, October 13, 2017

Text in blue denotes changes in the past two weeks. Red box denotes past due, yellow box denotes due within 30 days, green denotes due more than 30 days



AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

**Tuesday, October 17, 2017, 7:00 p.m.
City Hall, 225 W. Center St., Courtroom, 2nd Floor**

Board of Mayor and Aldermen

Mayor John Clark, Presiding
Vice Mayor Mike McIntire
Alderman Jennifer Adler
Alderman Joe Begley

Alderman Betsy Cooper
Alderman Colette George
Alderman Tommy Olterman

City Administration

Jeff Fleming, City Manager
Chris McCartt, Assistant City Manager for Administration
Ryan McReynolds, Assistant City Manager of Operations
J. Michael Billingsley, City Attorney
James Demming, City Recorder/Chief Financial Officer
David Quillin, Police Chief
Craig Dye, Fire Chief
Lynn Tully, Development Services Director
George DeCroes, Human Resources Director
Heather Cook, Marketing and Public Relations Director

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG

II.B. INVOCATION – Carl Strickler, Serving Baptist Churches

III. ROLL CALL

IV.A. RECOGNITIONS & PRESENTATIONS

1. Above and Beyond – Jennifer Egan

IV.B. APPOINTMENTS

None

Added

V. APPROVAL OF MINUTES

1. Work Session – October 2, 2017
2. Business Meeting – October 3, 2017

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

None

COMMENT

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

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Budget Ordinance to Appropriate \$20,800.00 from the Tennessee Highway Safety Office (THSO) 2017-2018 Grant (AF: 259-2017) (David Quillin)
 - Ordinance – First Reading
2. Budget Adjustment Ordinance for FY18 (AF: 262-2017) (Jeff Fleming)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Appropriating Funds to MPO15A; Award Contract to Summers-Taylor, Inc. for Signalization at the Intersection of SR-126 (Memorial Blvd) at Island Road (AF: 256-2017) (Ryan McReynolds)
 - Ordinance – **Second Reading and Final Adoption**
2. Amend the FY 2018 General Project Fund Budget (AF: 254-2017) (David Frye)
 - Ordinance – **Second Reading and Final Adoption**

D. OTHER BUSINESS

1. Execute a Signature Authority Form Allowing the Chief of Police or His Designee to Complete Grant Reports as Required by the Tennessee Highway Safety Office (THSO) for the Tennessee Highway Safety Office's 2017-2018 Grant (AF: 260-2017) (David Quillin)
 - Resolution
2. Enter into a Contractual Agreement, TDOT Project No: 825307-S3-021 with the Tennessee Department of Transportation for Reimbursement of Capital Expenses (AF: 263-2017) (Chris McCartt)
 - Resolution
3. Creating the Neighborhood Advisory Commission (AF: 265-2017) (Heather Cook)
 - Resolution

Revised Resolution

4. Authorizing FY18 Community Development Partner Agreements (AF: 268-2017) (Lynn Tully)
 - Resolution
5. Right-of-Way Easement with Kingsport Power Company (AF: 266-2017) (Ryan McReynolds)
 - Resolution
6. Execute a Memorandum of Understanding Between the City of Kingsport and Kingsport Public Library Commission (AF: 270-2017) (Chris McCartt)
 - Resolution
7. Award the Bid for the Dobyys-Bennett High School Addition Project to Burwil Construction Company, Inc. (AF: 267-2017) (David Frye)
 - Resolution
8. Approving a Letter of Intent (AF: 269-2017) (Ryan McReynolds)
 - Resolution
9. Accept a Private Donation of an Explosive Detection K-9 (AF: 271-2017) (David Quillin)
 - Resolution
10. Approve the Americans with Disabilities Act (ADA) Compliance and Self-Certification Letter to the Tennessee Department of Transportation (TDOT) (AF: 261-2017) (Mike Billingsley)
 - Resolution
11. Approving a Property Exchange Agreement with Eastern Eight Community Development Corporation pertaining to City Owned Property at 1325 Gibson Mill Road, Formerly 101 Lee Street, and 232 Cherokee Village Drive Owned by Eastern Eight Community Development Corporation (AF: 247-2017) (Lynn Tully)
 - Resolution

VII. CONSENT AGENDA

1. Approval of Easements and Rights-of-Way (AF: 264-2017) (Ryan McReynolds)
 - Approval of Offer

VIII. COMMUNICATIONS

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

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

IX. ADJOURN

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, October 2, 2017, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Vice-Mayor Mike McIntire
Alderman Jennifer Adler
Alderman Joe Begley

Alderman Betsy Cooper
Alderman Colette George
Alderman Tommy Olterman

City Administration

Jeff Fleming, City Manager
J. Michael Billingsley, City Attorney
James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:30 p.m. by Vice-Mayor McIntire.
2. **ROLL CALL:** By Deputy City Recorder Marshall. Absent: Mayor John Clark.
3. **HEALTHY KINGSPORT.** Ms. Kandy Childress and other Healthy Kingsport staff gave a presentation on the progress this organization had made as well as the impact on the community. Some discussion followed.
4. **FIRE DEPARTMENT CAPITAL FACILITIES UPDATE FY18.** Assistant Fire Chief Scott Boyd provided information and answered questions on the need for these facilities.
5. **GREENBELT WAYFINDING PROJECT.** Parks and Recreation Director Kitty Frazier presented information on the need for updated signage on the greenbelt, noting implementation would be done in three phases. There was brief discussion.
6. **REVIEW OF AGENDA ITEMS ON THE OCTOBER 3, 2017 REGULAR BUSINESS MEETING AGENDA.** City Manager Fleming stated all of the agenda items had been covered in one on one meetings and unless there was something specific that needed to be addressed the board could move on for the sake of time.

IV.B.1 Amendment to the Kingsport Public Library Commission Members' Term of Office and Appointment (AF: 245-2017). City Manager Fleming noted a change in the law governing the library commission, pointing out this item will bring Kingsport into alignment with the new law.

VI.B.1 Award Contract to Summers-Taylor, Inc. for Signalization at the Intersection of SR-126 (Memorial Boulevard) at Island Road and Appropriate Funds to MPO15A (AF: 256-2017). City Manager Fleming discussed this item, stating they were expediting this section to facilitate development and help the citizens in the area.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of
Kingsport, Tennessee, Monday, October 2, 2017**

VI.B.2 Amend the FY18 General Project Fund Budget (AF: 254-2017). Kingsport City Schools David Frye answered questions and provided details on this item, pointing out the Board of Education would be voting on this issue tomorrow night also.

VI.D.4 Amend the Professional Services Agreement with Barge, Waggoner, Sumner & Cannon, Inc. (BWSC) for Meadowview Roadway Design (AF: 255-2017). City Manager Fleming noted this allowed for a traffic impact study to be considered in the future.

VI.D.6 Authorize the Mayor to Execute All Documents Necessary and Proper with the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) for a Contribution for Economic Development (AF: 257-2017). City Manager Fleming explained the need to provide a backstop for KEDB to obtain a loan.

7. ADJOURN. Seeing no other matters presented for discussion at this work session, Vice-Mayor McIntire adjourned the meeting at 6:10 p.m.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, October 3, 2017, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Vice Mayor Mike McIntire, Presiding
Alderman Jennifer Adler
Alderman Joe Begley

Alderman Betsy Cooper
Alderman Colette George
Alderman Tommy Olterman

City Administration

Jeff Fleming, City Manager
J. Michael Billingsley, City Attorney
James Demming, City Recorder/Chief Financial Officer

- I. **CALL TO ORDER:** 7:00 p.m., by Vice Mayor Mike McIntire.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Skip Morrell.
- II.B. **INVOCATION:** Pastor Sam Ward, Mountain View United Methodist Church.
- III. **ROLL CALL:** By City Recorder Demming. Absent: Mayor John Clark.
- IV.A. **RECOGNITIONS AND PRESENTATIONS.**
1. Dobyys Family (Vice Mayor McIntire)
 2. AEP5 - Anne Pope
 3. Engage Kingsport - Bonnie Macdonald
- IV.B. **APPOINTMENTS.**

1. **Amendment to the Kingsport Public Library Commission Members' Term of Office and Appointment (AF: 245-2017) (Mayor Clark).**

Motion/Second: George/Adler, to approve:

TO COMPLY WITH LIBRARY BOARD TERMS AS SPECIFIED IN THE PUBLIC LIBRARY LAWS OF TENNESSEE 2017 (TENNESSEE CODE ANNOTATED – CHAPTER 3, 10-3-103) AMENDMENTS TO TERMS ARE NEEDED FOR THE FOLLOWING COMMISSIONERS.

COMMISSIONER	TERM EXPIRATION	TERM EXPIRATION AMENDMENT
MARGARET COUNTS	JUNE 30, 2020	JUNE 30, 2018
SANDRA BROWN	JUNE 30, 2020	JUNE 30, 2019

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, October 3, 2017**

Motion/Second: George/Adler, to approve:

APPOINTMENT OF MS. BETSY COOPER TO FULFILL THE UNEXPIRED TERM OF KEITH HICKEY ON THE **KINGSPORT PUBLIC LIBRARY COMMISSION** EFFECTIVE IMMEDIATELY AND EXPIRING ON MAY 31, 2018.

Passed: All present voting "aye."

V. APPROVAL OF MINUTES.

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

- A. September 18, 2017 Regular Work Session
- B. September 19, 2017 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

A. PUBLIC HEARINGS. None.

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

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Award Contract to Summers-Taylor, Inc. for Signalization at the Intersection of SR-126 (Memorial Boulevard) at Island Road and Appropriate Funds to MPO15A (AF: 256-2017) (Ryan McReynolds).

Motion/Second: George/Begley, to pass:

Resolution No. 2018-046, A RESOLUTION AWARDING THE BID FOR THE SIGNALIZATION AT THE INTERSECTION OF SR-126 (MEMORIAL BOULEVARD) AT ISLAND ROAD TO SUMMERS-TAYLOR, INC. AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

Motion/Second: Adler/Cooper, to pass:

AN ORDINANCE TO AMEND THE MPO FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FOR SIGNALIZATION AT THE INTERSECTION OF SR-126; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Amend the FY18 General Project Fund Budget (AF: 254-2017) (David Frye).

Motion/Second: Cooper/Adler, to pass:

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, October 3, 2017**

AN ORDINANCE TO AMEND THE GENERAL PROJECTS FUND BUDGETS FOR THE FISCAL YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Budget Ordinance for Hunt Road Waterline Extension
(AF: 242-2017) (Ryan McReynolds).

Motion/Second: George/Olterman, to pass:

ORDINANCE NO. 6695, AN ORDINANCE TO AMEND THE WATER PROJECT FUND BUDGET BY ESTABLISHING A PROJECT FOR THE HUNT ROAD WATERLINE EXTENSION FOR THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Adler, Begley, Cooper, George, McIntire and Olterman voting "aye."

2. Ordinance to Condemn for the Eastern Greenbelt Extension
(AF: 252-2017) (Mike Billingsley).

Motion/Second: George/Adler, to pass:

ORDINANCE NO. 6696, AN ORDINANCE TO AUTHORIZE AND DIRECT THE CITY ATTORNEY TO INITIATE CONDEMNATION PROCEEDINGS TO ACQUIRE PROPERTY, REAL OR PERSONAL, OR ANY EASEMENT, INTEREST, ESTATE OR USE THEREIN, FROM AFFECTED PROPERTY OWNERS ALONG THE ROUTE OF A CERTAIN PUBLIC WORKS PROJECT; TO FIX THE PROCEDURE FOR DIRECTING THE INITIATION OF SUCH LITIGATION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Adler, Begley, Cooper, George, McIntire and Olterman voting "aye."

3. Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2017 (AF: 249-2017)
(Jeff Fleming)

Motion/Second: George/Olterman, to pass:

ORDINANCE NO. 6697, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND, THE WATER AND SEWER FUND PROJECT BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2017; FOR THE FISCAL YEAR ENDING JUNE 30, 2018; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Adler, Begley, Cooper, George, McIntire and Olterman voting "aye."

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of the City of Kingsport, Tennessee, Tuesday, October 3, 2017**

D. OTHER BUSINESS.

1. Intergovernmental Financing Agreement and a Guaranty Agreement for the Aerospace Park Project (AF: 236-2017) (Jeff Fleming).

Motion/Second: Cooper/Adler, to pass:

Resolution No. 2018-047, A RESOLUTION AUTHORIZING THE GUARANTY OF CERTAIN INDEBTEDNESS OF THE TRI-CITIES AIRPORT AUTHORITY AND THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL FINANCING AGREEMENT

Passed: All present voting "aye."

2. Authorize the Mayor to Sign a Waiver with Adams and Reese LLP for Representation of Regions Bank (AF: 251-2017) (Mike Billingsley)

Motion/Second: Adler/Begley, to pass:

Resolution No. 2018-048, A RESOLUTION AUTHORIZING CONSENT OF REPRESENTATION AND AUTHORIZING THE MAYOR TO EXECUTE THE CONSENT LETTER AND ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

3. Accept Donation of Landscaping and Materials from Boehm Landscape, Inc. (AF: 253-2017) (Chris McCartt).

Motion/Second: George/Olterman, to pass:

Resolution No. 2018-049, A RESOLUTION ACCEPTING A DONATION OF LANDSCAPING AND MATERIALS FROM BOEHM LANDSCAPE, INC.

Passed: All present voting "aye."

4. Amend the Professional Services Agreement with Barge, Waggoner, Sumner & Cannon, Inc. (BWSC) for Meadowview Roadway Design (AF: 255-2017) (Ryan McReynolds).

Motion/Second: Olterman/George, to pass:

Resolution No. 2018-050, A RESOLUTION APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH BARGE, WAGGONER, SUMNER & CANNON FOR THE MEADOWVIEW ROADWAY DESIGN; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

Passed: All present voting "aye."

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5. Professional Service Agreement with CDM Smith for Design of Wastewater Treatment Plant Electrical Improvements (AF: 58-2017) (Ryan McReynolds).

Motion/Second: George/Cooper, to pass:

Resolution No. 2018-051, A RESOLUTION APPROVING A PROFESSIONAL SERVICE AGREEMENT WITH CDM SMITH FOR DESIGN OF WASTEWATER TREATMENT PLANT ELECTRICAL IMPROVEMENTS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

6. Authorize the Mayor to Execute All Documents Necessary and Proper with the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) for a Contribution for Economic Development (AF: 257-2017) (Chris McCartt).

Motion/Second: Olterman/Cooper, to pass:

Resolution No. 2018-052, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSFORT, TENNESSEE (KEDB) FOR A CONTRIBUTION FOR ECONOMIC DEVELOPMENT

Passed: All present voting "aye."

VII. CONSENT AGENDA. None.

VIII. COMMUNICATIONS.

A. CITY MANAGER. Mr. Fleming commented on a presentation he heard regarding the recommended minimum fund balance a municipality should maintain. He stated TGFOA suggests two months of operating expenses, pointing out Kingsport falls in this window. He commended the board for strong financial management policies.

B. MAYOR AND BOARD MEMBERS. Alderman Begley stated thoughts and prayers go out to Las Vegas. Alderman Olterman stated he hoped everyone would go out and support their local football teams on Friday. Alderman George commented on the unveiling of the Gold Star Family Memorial which represents those who have lost family members in the armed forces. Alderman Adler complimented on the rapid progress being made in Church Circle. She also commented on the Curb Appeal Award in the Park Hill neighborhood presented this past weekend, noting it was a great example of a community led initiative. Lastly, she invited everyone to attend a Halloween bike event through Healthy Kingsport. Alderman Cooper also commented on

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the Church Circle renovations and pointed out the two middle schools were playing football against each other tonight. She also asked the community to recognize the opioid epidemic and how it can be addressed. Vice-Mayor McIntire asked Assistant City Manager for Operations Ryan McReynolds to talk about the upcoming leaf pickup schedule. Mr. McIntire then called attention to the awards received by Kingsport City Schools and Healthy Kingsport. He also noted the groundbreaking held earlier today for the new KATS facility. He also made comments on the incident in Las Vegas, noting he had been in the same hotel a couple of nights before and was appreciative for the Lord watching out for him. Alderman George also reminded everyone the Kingsport Theatre Guild would be presenting *Nanyehi: the Story of Nancy Ward* starting October 20.

C. VISITORS. None.

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

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor



AGENDA ACTION FORM

Budget Ordinance to Appropriate \$20,800.00 from the Tennessee Highway Safety Office (THSO) 2017-2018 Grant

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-259-2017
 Work Session: October 16, 2017
 First Reading: October 17, 2017

Final Adoption: November 7, 2017
 Staff Work By: Capt. Randall Gore
 Presentation By: Chief David Quillin

Recommendation:

Approve the Budget Ordinance.

Executive Summary:

On March 21, 2017 via AF-60-2017, the Board of Mayor and Aldermen approved the Mayor executing any and all documents necessary to apply for and receive a Tennessee Highway Safety Office (THSO) Grant. We have been notified that we were approved for \$20,800.00 in grant funds for the upcoming fiscal year. The grant will be utilized for traffic safety enforcement overtime.

There are no matching fund requirements.

Attachments:

1. Budget Ordinance

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

PRE-FILED
CITY RECORDER

AN ORDINANCE TO AMEND THE GENERAL PROJECT/SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE HIGHWAY SAFETY OFFICE (THSO) FOR THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Project/Special Revenue Fund budget be amended by appropriating funds received from the Tennessee Highway Safety Office in the amount of \$20,800 to the TN Highway Safety Office Grant project (NC1802) for traffic safety enforcement overtime. No matching funds are required.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Fund 111: General Project/Special Rev Fund</u>			
<u>TN Highway Safety Office Grant (NC1802)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-337-6010 Safety/Homeland Security	0	20,800	20,800
<u>Totals:</u>	0	20,800	20,800

<u>Expenditures:</u>	\$	\$	\$
111-0000-601-1011 Overtime	0	14,400	14,400
111-0000-601-1020 Social Security	0	1,600	1,600
111-0000-601-1030 Health Insurance	0	200	200
111-0000-601-1040 Retirement	0	4,100	4,100
111-0000-601-1050 Life Insurance	0	50	50
111-0000-601-1052 Long Term Disability	0	50	50
111-0000-601-1060 Workmen's Comp	0	300	300
111-0000-601-1061 Unemployment Ins.	0	100	100
<u>Totals:</u>	0	20,800	20,800

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.

JOHN CLARK, Mayor

ATTEST:

ANGIE MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Budget Adjustment Ordinance for FY18

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *df*

Action Form No.: AF-262-2017
 Work Session: October 16, 2017
 First Reading: October 17, 2017

Final Adoption: November 7, 2017
 Staff Work By: Judy Smith
 Presentation By: Jeff Fleming

Recommendation:

Approve the Ordinance.

Executive Summary:

The ordinance will transfer TIF funds in the amount of \$106,750 to the Downtown project and \$20,000 to the Riverwalk project. It will transfer \$100,000 from the Local Roads project to the Traffic Signal Infrastructure project for fiber and conduit installation on Eastman Road and portions of Stone Drive, \$47,500 from the Visitor Enhancement project to the operating budget and close projects GP1509, GP1708, GP1728 and GP1403.

The Sewer Project Fund will be amended by transferring \$127,971 to the Waste Water Treatment Plant Improvements project and close SW1507, SW1604, SW1605, and SW1607.

The Storm Water Project Fund will be amended by transferring \$27,884 to the Equipment Vehicle Purchase project and by transferring \$50,000 to the Storm Water Infrastructure project. ST1704 and ST1710 will be closed.

Attachments:

1. Budget Ordinance

Funding source appropriate and funds are available: *df*

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR
THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Project Fund budgets be amended by transferring \$126,750 from the General Projects (GP1750) to the Downtown Project (NC1803) in the amount of \$106,750 and to the Riverwalk project (NC1804) in the amount of \$20,000, by appropriating \$1,000 to the Bays Mountain Road Maintenance project (NC1805), by appropriating \$7,080 to the Sidewalk Improvements project (GP1520), by transferring \$100,000 from the Local Roads project (GP1836) to the Traffic Signal Infrastructure/Equipment project (GP1840), by transferring \$2,396 from Bays Mountain Land Acquisition project (GP1708) and \$1,338 from the Bays Mountain Park Improvements project (GP1707) to the Bays Mountain Improvements project (GP1509), by transferring \$47,500 from the Visitor Enhancement Improvement project (GP1728) to the Visitor Enhancement operating budget, by transferring \$13,568 from the Border Regions Road Improvements project (GP1228) to the Local Roads Sidewalks Improvement project (GP1403) and by appropriating \$4,187 to the Centennial Project (NC1613). Close projects GP1509, GP1708, GP1728 and GP1403.

SECTION II. That the Sewer Project Fund budgets be amended by transferring \$122,243 from the WWRP Blower project (SW1507), by transferring \$3,929 from the Combo SW Cleaning Vehicle project (SW1604), by transferring \$1,251 from the WWTP Centrifuge project (SW1605), by transferring \$548 from WWTP Storage Building project (SW1607) to the WWTP Improvements project (SW1700) in the amount of \$127,971. Close SW1507, SW1604, SW1605, and SW1607.

SECTION III. That the Storm Water Project Fund budgets be amended by transferring \$27,884 from the Equipment Vehicle Purchase project (ST1710) to the Equipment Vehicle Purchase project (ST1800) and by transferring \$50,000 from the Brookton Park Improvement project (ST1704) to the Storm Water Infrastructure project (ST1602). Close ST1704 and ST1710.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Fund 311: General Project Fund</u>			
<u>General Projects (GP1750)</u>			
<u>Revenues:</u>	\$	\$	\$
311-0000-391-0100 From General Fund	1,023,623	(126,750)	896,873
<u>Totals:</u>	1,023,623	(126,750)	896,873
<u>Expenditures:</u>	\$	\$	\$
311-0000-601-9003 Improvements	1,023,623	(126,750)	896,873
<u>Totals:</u>	1,023,623	(126,750)	896,873

Fund 111: General Project/Special Rev. Fund
Downtown Project (NC1803)

<u>Revenues:</u>	\$	\$	\$
111-0000-391-0100 From General Fund	0	106,750	106,750
Totals:	0	106,750	106,750

<u>Expenditures:</u>	\$	\$	\$
111-0000-601-2022 Construction Contracts	0	106,750	106,750
Totals:	0	106,750	106,750

Fund 111: General Project/Special Rev. Fund
Riverwalk Project (NC1804)

<u>Revenues:</u>	\$	\$	\$
111-0000-391-0100 From General Fund	0	20,000	20,000
Totals:	0	20,000	20,000

<u>Expenditures:</u>	\$	\$	\$
111-0000-601-2022 Construction Contracts	0	20,000	20,000
Totals:	0	20,000	20,000

Fund 110: General Fund

<u>Revenues:</u>	\$	\$	\$
110-0000-368-1500 Rental of Land & Building	25,000	1,000	26,000
Totals:	25,000	1,000	26,000

<u>Expenditures:</u>	\$	\$	\$
110-0000-4804-481-7035 Gen Proj-Special Rev.	1,644,795	1,000	1,645,795
Totals:	1,644,795	1,000	1,645,795

Fund 111: General Project/Special Rev. Fund
Bays Mountain Road Maintenance (NC1805)

<u>Revenues:</u>	\$	\$	\$
111-0000-368-1500 Rental of Land & Building	0	1,000	1,000
Totals:	0	1,000	1,000

<u>Expenditures:</u>	\$	\$	\$
111-0000-601-9003 Improvements	0	1,000	1,000
Totals:	0	1,000	1,000

Fund 311: General Project Fund
Sidewalk Improvements (GP1520)

<u>Revenues:</u>	\$	\$	\$
311-0000-364-2000 From Corporations	24,713	7,080	31,793
311-0000-368-1047 Series 2014A GO Bonds	47,895	0	47,895

311-0000-368-2101 Premium From Bond Sale	19,149	0	19,149
Totals:	91,757	7,080	98,837
Expenditures:	\$	\$	\$
311-0000-601-2023 Arch/Eng/Landscaping	6,279	0	6,279
311-0000-601-4041 Bond Sale Expense	4,119	0	4,119
311-0000-601-9001 Land	39,396	0	39,396
311-0000-601-9003 Improvements	41,963	7,080	49,043
Totals:	91,757	7,080	98,837

Fund 311: General Project Fund

Local Roads (GP1836)

Revenues:	\$	\$	\$
311-0000-368-1055 Series 2017A GO Bonds	2,735,531	(100,000)	2,635,531
311-0000-368-2101 Premium From Bond Sale	125,022	0	125,022
Totals:	2,860,553	(100,000)	2,760,553

Expenditures:	\$	\$	\$
311-0000-601-4041 Bond Sale Expense	37,199	0	37,199
311-0000-601-9003 Improvements	2,823,354	(100,000)	2,723,354
Totals:	2,860,553	(100,000)	2,760,553

Fund 311: General Project Fund

Traffic Signal Infrastructure/Equip (GP1840)

Revenues:	\$	\$	\$
311-0000-368-1055 Series 2017A GO Bonds	0	100,000	100,000
Totals:	0	100,000	100,000

Expenditures:	\$	\$	\$
311-0000-601-9003 Improvements	0	100,000	100,000
Totals:	0	100,000	100,000

Fund 311: General Project Fund

Bays Mountain Improvements (GP1509)

Revenues:	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	50,299	1,338	51,637
311-0000-368-2101 Premium From Bond Sale	28,791	0	28,791
311-0000-391-6900 From VEP Fund	200,000	0	200,000
311-0000-391-9001 From General Fund	0	2,396	2,396
Totals:	279,090	3,734	282,824

Expenditures:	\$	\$	\$
311-0000-601-4041 Bond Sale Expense	3,742	0	3,742
311-0000-601-9003 Improvements	275,348	3,734	279,082

Totals:

279,090	3,734	282,824
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Fund 311: General Project Fund**Bays Mtn. Land Acquisition (GP1708)****Revenues:**

	\$	\$	\$
311-0000-332-5300 TN Heritage Conservation	31,125	0	31,125
311-0000-364-2000 From Corporations	8,424	0	8,424
311-0000-368-1047 Series 2014A GO Bonds	23,576	0	23,576
311-0000-391-0100 From General Fund	19,000	(2,396)	16,604
311-0000-391-6200 From Bays Mtn. Com. Fund	10,875	0	10,875
Totals:	93,000	(2,396)	90,604

Expenditures:

	\$	\$	\$
311-0000-601-9001 Land	93,000	(2,396)	90,604
Totals:	93,000	(2,396)	90,604

Fund 311: General Project Fund**Bays Mtn. Park Improvements (GP1707)****Revenues:**

	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	350,777	(1,338)	349,439
Totals:	350,777	(1,338)	349,439

Expenditures:

	\$	\$	\$
311-0000-601-2023 Arch/Eng/Landscaping	81,167	(1,338)	79,829
311-0000-601-9003 Improvements	269,610	0	269,610
Totals:	350,777	(1,338)	349,439-

Fund 311: General Project Fund**Visitor Enhancement Improv. (GP1728)****Revenues:**

	\$	\$	\$
311-0000-391-6900 Visitors Enhancement Fund	132,500	(47,500)	85,000
Totals:	132,500	(47,500)	85,000

Expenditures:

	\$	\$	\$
311-0000-601-9003 Improvements	132,500	(47,500)	85,000
Totals:	132,500	(47,500)	85,000

Fund 135: Visitor Enhancement Fund**Expenditures:**

	\$	\$	\$
135-1015-405-3020 Operating Supplies & Tools	54,068	12,753	66,821
135-4804-481-7036 General Project Fund	50,000	(47,500)	2,500
135-4890-481-6087 Reserve VEP Project	28,900	34,747	63,647
Totals:	132,968	0	132,968

Fund 311: General Project Fund
Local Roads Sidewalks (GP1403)

Revenues:

	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	34,659	0	34,659
311-0000-368-1051 Series 2015A (Oct) GO PI	342,403	0	342,403
311-0000-368-1041 Series 2012C GO Pub Imp.	0	13,568	13,568
311-0000-368-2101 Premium From Bond Sale	24,408	0	24,408
Totals:	401,470	13,568	415,038

Expenditures:

	\$	\$	\$
311-0000-601-2023 Arch/Eng/Landscaping	42,952	(2,805)	40,147
311-0000-601-4041 Bond Sale Expense	16,642	0	16,642
311-0000-601-9001 Land	10,000	(7,363)	2,637
311-0000-601-9003 Improvements	331,876	23,736	355,612
Totals:	401,470	13,568	415,038

Fund 311: General Project Fund
Border Reg Rd Improvements (GP1228)

Revenues:

	\$	\$	\$
311-0000-332-1015 Border Regions Allocation	76,103	0	76,103
311-0000-368-1041 Series 2012 C Go Pub Imp	292,234	(13,568)	278,666
311-0000-368-2101 Premium From Bond Sale	19,633	0	19,633
Totals:	387,970	(13,568)	374,402

Expenditures:

	\$	\$	\$
311-0000-601-2020 Professional Consultant	70,258	0	70,258
311-0000-601-2023 Arch/Eng/Landscaping	104,066	0	104,066
311-0000-601-4041 Bond Sale Expense	11,867	0	11,867
311-0000-601-9001 Land	110,000	0	110,000
311-0000-601-9003 Improvements	91,779	(13,568)	78,211
Totals:	387,970	(13,568)	374,402

Fund 111: General Project /Special Rev Fund
Centennial Project (NC1613)

Revenues:

	\$	\$	\$
111-0000-341-1087 Merchandise Sales	1,463	73	1,536
111-0000-341-5010 Centennial Merchandise	5,343	4,115	9,458
111-0000-364-3000 From Non-Profit Groups	625	0	625
111-0000-368-9900 Miscellaneous	(5)	(1)	(6)
111-0000-391-9001 From General Fund	90,186	0	90,186
Totals:	97,612	4,187	101,799

Expenditures:

\$ \$ \$

111-0000-601-3020 Operating Supplies & Tools	92,212	1,000	93,212
111-0000-631-1010 Salaries & Wages	4,310	2,952	7,262
111-0000-631-1020 Social Security	1,000	225	1,225
111-0000-631-1060 Workmen's Comp	10	10	20
111-0000-631-1061 Unemployment	80	0	80
Totals:	97,612	4,187	101,799

Fund 452: Sewer Project Fund
WWTP Blower (SW1507)

Revenues:	\$	\$	\$
452-0000-332-7200 Clean TN Energy Grant	175,000	0	175,000
452-0000-391-4200 From Sewer Fund	320,000	(122,243)	197,757
Totals:	495,000	(122,243)	372,757

Expenditures:	\$	\$	\$
452-0000-606-2023 Arch/Eng/Landscaping	72,500	(50,000)	22,500
452-0000-606-9003 Improvements	422,500	(72,243)	350,257
Totals:	495,000	(122,243)	372,757

Fund 452: Sewer Project Fund
Combo SW Cleaning Vehicle (SW1604)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	354,196	(3,929)	350,267
Totals:	354,196	(3,929)	350,267

Expenditures:	\$	\$	\$
452-0000-606-9006 Purchases \$5,000 & Over	354,196	(3,929)	350,267
Totals:	354,196	(3,929)	350,267

Fund 452: Sewer Project Fund
WWTP Centrifuge (SW1605)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	54,000	(1,251)	52,749
Totals:	54,000	(1,251)	52,749

Expenditures:	\$	\$	\$
452-0000-606-9003 Improvements	29,000	23,749	52,749
452-0000-606-9006 Purchases \$5,000 & Over	25,000	(25,000)	0
Totals:	54,000	(1,251)	52,749

Fund 452: Sewer Project Fund
WWTP Storage Building (SW1607)

Revenues:	\$	\$	\$
452-00000391-0531 Series 2014B GO Bonds	29,000	0	29,000

452-0000-391-4200 From Sewer Fund	62,845	(548)	62,297
Totals:	91,845	(548)	91,297

Expenditures:	\$	\$	\$
452-0000-606-9006 Purchases \$5,000 & Over	91,845	(548)	91,297
Totals:	91,845	(548)	91,297

Fund 452: Sewer Project Fund
WWTP Improvements (SW1700)

Revenues:	\$	\$	\$
452-00000391-0531 Series 2014B GO Bonds	228,768	0	228,768
452-0000-391-4200 From Sewer Fund	250,000	127,971	377,971
Totals:	478,768	127,971	606,739

Expenditures:	\$	\$	\$
452-0000-606-2023 Arch/Eng/Landscaping	257,000	0	257,000
452-0000-606-9003 Improvements	221,768	127,971	349,739
Totals:	478,768	127,971	606,739

Fund 457: Storm Water Project Fund
Equipment Vehicle Purchase (ST1710)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	186,384	(27,884)	158,500
Totals:	186,384	(27,884)	158,500

Expenditures:	\$	\$	\$
457-0000-622-9006 Purchases \$5,000 & Over	186,384	(27,884)	158,500
Totals:	186,384	(27,884)	158,500

Fund 457: Storm Water Project Fund
Equipment Vehicle Purchase (ST1800)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	195,000	27,884	222,884
Totals:	195,000	27,884	222,884

Expenditures:	\$	\$	\$
457-0000-622-9006 Purchases \$5,000 & Over	195,000	27,884	222,884
Totals:	195,000	27,884	222,884

Fund 457: Storm Water Project Fund
Brookton Park Imp. (ST1704)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	50,000	(50,000)	0

Totals:	50,000	(50,000)	0
Expenditures:	\$	\$	\$
457-0000-622-2022 Construction Contracts	50,000	(50,000)	0
Totals:	50,000	(50,000)	0
 Fund 457: Storm Water Project Fund			
Storm Water Infrastructure (ST1602)			
Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	128,355	50,000	178,355
Totals:	128,355	50,000	178,355
Expenditures:	\$	\$	\$
457-0000-622-2022 Construction Contracts	80,265	50,000	130,265
457-0000-622-2023 Arch/Eng/Landscaping	38,800	0	38,800
457-0000-622-9001 Land	1,000	0	1,000
457-0000-622-9004 Equipment	8,290	0	8,290
Totals:	128,355	50,000	178,355

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

JOHN CLARK, Mayor

ATTEST:

JAMES H. DEMMING, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

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



AGENDA ACTION FORM

Appropriating Funds to MPO15A; Award Contract to Summers-Taylor, Inc. for Signalization at the Intersection of SR-126 (Memorial Blvd) at Island Road

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-256-2017
 Work Session: October 2, 2017
 First Reading: N/A

Final Adoption: **October 17, 2017**
 Staff Work By: Michael Thompson
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Budget Ordinance and ~~Resolution~~.

Executive Summary:

In October 2014 we entered into an Agreement with TDOT (AF-254-2014) for signalization at the intersection of SR-126 (Memorial Blvd.) and Island Road. This project includes installation of a new 4-way traffic signal and associated equipment plus improvements to lane configuration to include eastbound and westbound left turn lanes for safety improvements at this location.

Bids for this project were opened on August 15, 2017. Summers-Taylor, Inc. submitted the only bid in the amount of \$619,720.46. This project will be funded 80% through KMTPO STP funding source (Federal funds); and the State (TDOT) will fund the 20% match since this project is on a State Route.

Therefore we request a budget ordinance appropriating funds to MPO15A in the amount of 416,000.00, and award the contract to Summers-Taylor, Inc. in the amount of \$619,720.46.

Base Bid	\$619,720.46
Contingency (6%)	<u>37,183.23</u>
Total Amount	\$656,903.69

TDOT Agreement Number: 140163; Project Identification Number: 121031.00; Federal Project Number: STP-M-126(20); State Project Number: 82LPLM-F3-058.

Attachments:

1. Budget Ordinance
2. Resolution
3. Bid Minutes

Funding source appropriate and funds are available:

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE MPO FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FOR SIGNALIZATION AT THE INTERSECTION OF SR-126; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the MPO Fund budget be amended by appropriating grant funds in the amount of \$416,000 to the Signal at SR126/ Island Rd. Project (MPO15A). The Tennessee Department of Transportation will fund 20% and 80% will be through KMTPO STP.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 122: MPO Fund			
Signal at SR126/Island Rd (MPO15A)			
Revenues:	\$	\$	\$
122-0000-337-5210 FHWA/TN FHWA 80%	288,000	332,800	620,800
122-0000-332-9000 State Revenue Dept. of Transportation	72,000	83,200	155,200
Totals:	360,000	416,000	776,000
Expenditures:			
122-0000-609-2023 Arch/Eng/Landscaping	30,000	0	30,000
122-0000-609-9003 Improvements	330,000	416,000	746,000
Totals:	360,000	416,000	776,000

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.

JOHN CLARK, Mayor

ATTEST:

ANGELA L. MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Appropriating Funds to MPO15A: Award Contract to Summers-Taylor, Inc. for Signalization at the Intersection of SR-126 (Memorial Blvd) at Island Road

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *df*

Action Form No.: AF-256-2017
 Work Session: October 2, 2017
 First Reading: N/A

Final Adoption: October 3, 2017
 Staff Work By: Michael Thompson
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Budget Ordinance and Resolution.

Executive Summary:

In October 2014 we entered into an Agreement with TDOT (AF-254-2014) for signalization at the intersection of SR-126 (Memorial Blvd.) and Island Road. This project includes installation of a new 4-way traffic signal and associated equipment plus improvements to lane configuration to include eastbound and westbound left turn lanes for safety improvements at this location.

Bids for this project were opened on August 15, 2017. Summers-Taylor, Inc. submitted the only bid in the amount of \$619,720.46. This project will be funded 80% through KMTPO STP funding source (Federal funds); and the State (TDOT) will fund the 20% match since this project is on a State Route.

Therefore we request a budget ordinance appropriating funds to MPO15A in the amount of 416,000.00, and award the contract to Summers-Taylor, Inc. in the amount of \$619,720.46.

Base Bid	\$619,720.46
Contingency (6%)	<u>37,183.23</u>
Total Amount	\$656,903.69

TDOT Agreement Number: 140163; Project Identification Number: 121031.00; Federal Project Number: STP-M-126(20); State Project Number: 82LPLM-F3-058.

Attachments:

1. Budget Ordinance
2. Resolution
3. Bid Minutes

Funding source appropriate and funds are available: *js*

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR THE SIGNALIZATION AT THE INTERSECTION OF SR-126 (MEMORIAL BOULEVARD) AT ISLAND ROAD TO SUMMERS-TAYLOR, INC. AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened on August 15, 2017, for the signalization at the intersection of SR-126 (Memorial Blvd.) and Island Road; and

WHEREAS, upon review of the bids, the board finds that Summers-Taylor, Inc. is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract for the improvements, including installation of a new four-way traffic signal and associated equipment, plus improvements to lane configuration to include eastbound and westbound left turn lanes for safety improvements from Summers-Taylor, Inc. at an estimated construction cost of \$619,720.00; and

WHEREAS, this project will be funded 80% through KMTPO STP funding source (federal funds); and the state (TDOT) will fund the 20% match since this project is on a State Route.

Now therefore,

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

SECTION I. That the bid for the signalization at the intersection of SR-126 (Memorial Blvd.) and Island Road, consisting of installation of a new four-way traffic signal and associated equipment, plus improvements to lane configuration to include eastbound and westbound left turn lanes for safety improvements at an estimated cost of \$619,720.00 is awarded to Summers-Taylor, Inc., and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 3rd day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

City of Kingsport
S.R. 126 (Memorial Blvd.) Intersection at Island Road
TDOT PIN 121031.00

BID TABULATION
Bids Opened: August 15, 2017 at 4:00 pm

** Apparent Low Bidder	TOTAL BID PRICE
** Summers-Taylor, Inc.	\$ 619,720.46

I certify that this tabulation is a correct and true representation of the bids received at the above date and time.



A handwritten signature in black ink that reads "Jason Carder". The signature is written in a cursive style and is positioned above a horizontal line.

Jason Carder, P.E.
8/16/2017



AGENDA ACTION FORM

Amend the FY 2018 General Project Fund Budget

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-254-2017
 Work Session: October 2, 2017
 First Reading: October 3, 2017

Final Adoption: **October 17, 2017**
 Staff Work By: David Frye
 Presentation By: David Frye

Recommendation:

Approve the Ordinance.

Executive Summary:

The Board of Education approved fiscal year 2018 budget amendment number one at their meeting on October 3, 2017. This amendment transfers funds in the Future School Capital Projects project to the Dobyns-Bennett Regional Science and Technology Building project. Since the bids have been received, a bid evaluation committee has identified \$1,309,646 in reductions that don't affect the overall scope of the project. With these reductions, the total project costs are now estimated to be \$23,173,108. The current appropriation for this project is \$22,000,000, so an additional \$1,175,000 will be needed to fund the complete project costs. There is currently \$2,181,286 set aside for Future School Capital Projects. It is recommended that \$1,175,000 of these funds be transferred to the Science and Technology Center project to establish total project funding in the amount of \$23,175,000.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number One – FY 2018

Funding source appropriate and funds are available: js

	Y	N	O
Alder	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECTS
FUND BUDGETS FOR THE FISCAL YEAR ENDING JUNE 30,
2018; AND TO FIX THE EFFECTIVE DATE OF THIS
ORDINANCE

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

SECTION I. That the General Project Fund Budget be amended by decreasing the estimated revenue for the Future School Capital Projects project (GP1737) – Sullivan County School Bonds by \$1,175,000 and by decreasing the appropriation for Improvements by \$1,175,000; by increasing the estimated revenue for the Dobyns-Bennett Regional Science and Technology Center (GP1620) by \$1,175,000 and by increasing appropriation for Construction Contracts by \$2,102,000; by increasing the appropriation for Architectural Services by \$195,000 and by decreasing the appropriation for Equipment by \$1,122,000.

Fund 311: General Project Fund
Future School Capital Projects (GP1737)

Revenues:

311-0000-391-2150	Sullivan County Bond Funds	\$	2,181,286	\$	(1,175,000)	\$	1,006,286
Total:			2,181,286		(1,175,000)		1,006,286

Expenditures:

311-0000-601-9003	Improvements		2,181,286		(1,175,000)		1,006,286
Total:			2,181,286		(1,175,000)		1,006,286

DB Science and Technology Center (GP1620)

Revenues:

311-0000-391-2150	Sullivan County Bond Funds	\$	21,700,000	\$	1,175,000	\$	22,875,000
Total:			21,700,000		1,175,000		22,875,000

Expenditures:

311-0000-601-2022	Construction Contracts		18,900,000		2,102,000		21,002,000
311-0000-601-2023	Arch/Eng/Landscaping Serv		1,200,000		195,000		1,395,000
311-0000-601-9004	Equipment		1,900,000		(1,122,000)		778,000
Total:			22,000,000		1,175,000		23,175,000

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.

JOHN CLARK, Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Amend the FY 2018 General Project Fund Budget

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager 

Action Form No.: AF-254-2017
 Work Session: October 2, 2017
 First Reading: October 3, 2017

Final Adoption: October 17, 2017
 Staff Work By: David Frye
 Presentation By: David Frye

Recommendation:


Approve the Ordinance.

Executive Summary:

The Board of Education approved fiscal year 2018 budget amendment number one at their meeting on October 3, 2017. This amendment transfers funds in the Future School Capital Projects project to the Dobyys-Bennett Regional Science and Technology Building project. Since the bids have been received, a bid evaluation committee has identified \$1,309,646 in reductions that don't affect the overall scope of the project. With these reductions, the total project costs are now estimated to be \$23,173,108. The current appropriation for this project is \$22,000,000, so an additional \$1,175,000 will be needed to fund the complete project costs. There is currently \$2,181,286 set aside for Future School Capital Projects. It is recommended that \$1,175,000 of these funds be transferred to the Science and Technology Center project to establish total project funding in the amount of \$23,175,000.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number One – FY 2018

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Alder	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

October 3, 2017

**KINGSPORT CITY SCHOOLS
FISCAL YEAR 2017-2018
BUDGET AMENDMENT NUMBER ONE**

GENERAL PROJECT FUND

DOBYNS-BENNETT SCIENCE AND TECHNOLOGY CENTER

Bids were received for the new addition on August 10, 2017. The low bid, including the 3 alternates was \$22,122,000. When the low bid is added to all of the other project cost, the total project costs comes to \$24,639,912. The original estimate for the total project costs was \$22,000,000. The architects have been working with the low bidder to identify savings that will not impact the scope of the project. After working with the low bidder, the architects have recommended \$1,450,367 in savings. When the bid evaluation committee reviewed these items, the final amount of reductions accepted is \$1,309,646. This reduces the construction contract amount \$22,122,000 to \$19,812,354. The total project costs will be reduced from \$24,640,136 to \$23,173,108.

Kingsport City Schools share of the Sullivan County bond issue was \$45,281,286. These funds were appropriated as follows:

Payment for Sullivan North High School	\$20,000,000
D-B Science and Technology Center	22,000,000
Sullivan North Renovations	1,100,000
Future School Capital Projects	2,181,286

In order to fund the Science and Technology Center, it will be required to increase the appropriation for that project by \$1,175,000. At this time these funds will need to come from the account for Future School Capital Projects.

It is recommended that the Board of Education approve a motion to transfer \$1,175,000 from the account for Future School Capital Projects to the accounts for the D-B Science and Technology Center. The total funding for the Science and Technology Center will be \$23,175,000 and \$1,006,286 for the Future School Capital Projects.



AGENDA ACTION FORM

Execute a Signature Authority Form Allowing the Chief of Police or His Designee to Complete Grant Reports as Required by the Tennessee Highway Safety Office (THSO) for the Tennessee Highway Safety Office's 2017-2018 Grant

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-260-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: Capt. Gore
 Presentation By: Chief Quillin

Recommendation:

Approve the Resolution.

Executive Summary:

The Tennessee Highway Safety Office (THSO) requires quarterly reports as well as other grant related documents be signed by a representative of the agency (City of Kingsport) receiving grant funds. To that effect, the THSO has included a Signature Authority Consent Form in the paperwork for the grant acceptance, which allows the Mayor to grant signatory authority to sign all grant related documents on behalf of the organization for the 2017-2018 THSO grant.

Attachments:

1. Resolution.

Y N O

Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE SIGNATURE AUTHORITY CONSENT FORMS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR SAFETY GRANTS FROM THE TENNESSEE HIGHWAY SAFETY OFFICE AND DESIGNATING THE CHIEF OF POLICE AS HIS DESIGNEE TO EXECUTE GRANT REPORTS AND OTHER DOCUMENTS REQUIRED BY THE GRANTS FROM THE TENNESSEE HIGHWAY SAFETY OFFICE

WHEREAS, the Tennessee Highway Safety grants requires quarterly reports as well as other grant related documents; and

WHEREAS, the Signature Authority Consent Form authorizes the mayor to execute formal documents, and to designate an individual as signatory authority "to sign grant related documents on behalf" of the city for a specific grant;

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an Signature Authority Consent Form for contracts, invoices and other documents with the Tennessee Highway Safety Office, said Signatory Authority Consent Form being generally as follows:

SIGNATURE AUTHORITY CONSENT FORM

I _____ as the _____ of
Name of Person Granting Signature Authority (Printed) Title of Person Granting Authority

_____ hereby grant the person(s) identified below signatory authority

Name of Organization Receiving Grant

for the 2017-2018 grant awarded by the Tennessee Highway Safety Office.

The following individual or individuals are entitled to sign all grant related documents on behalf of my organization.

Name (Printed)

Signature

Name (Printed)

Signature

Name (Printed)

Signature

The above signatory authority granted to the above individual(s) may be revoked by me or by my organization at any time by written notice to the Tennessee Highway Safety Office.

SECTION II. That the mayor is authorized to designate the chief of police as his designee to complete and execute grant reports and other reporting documents, as required by the grant from the Tennessee Highway Safety Office.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MIKE BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Enter into a Contractual Agreement, TDOT Project No: 825307-S3-021 with the Tennessee Department of Transportation for Reimbursement of Capital Expenses

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-263-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: KATS Staff
 Presentation By: Chris McCart

Recommendation:

Approve the Resolution.

Executive Summary:

When purchasing Capital equipment, the City of Kingsport enters into a contractual agreement with the Tennessee Department of Transportation (TDOT). The agreement is for reimbursement of TDOT share of expenditures. This contract provides funding from TDOT for expenditures of purchasing two mini-buses, two vans and preventative maintenance cost of operating KATS vehicles.

Capital Assistance (85%) Federal; (7.5%) Local; (7.5%) State	Local	State	Federal	Total
Purchase (2) min-buses w/ramps	18,750	18,750	212,500	250,000
Purchase (2 vans w/lifts)	9,375	9,375	106,250	125,000
Capital Assistance (80%) Federal; (10%) Local; (10%) State				
Preventive Maintenance	17,500	17,500	140,000	175,000
Total	45,625	45,625	458,750	550,000

Attachments:

- Resolution

Funding source appropriate and funds are available: 

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A GRANT CONTRACT WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR REIMBURSEMENT OF CAPITAL EXPENSES FOR THE CITY TRANSIT OPERATION AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, when purchasing capital equipment for the Kingsport Area Transit Service, the city enters into a contract with the Tennessee Department of Transportation (TDOT) for reimbursement of capital expenditures; and

WHEREAS, the grant contract with TDOT provides some reimbursement for the purchase of two replacement mini-buses and two replacement ADA/paratransit vans and preventative maintenance costs; and

WHEREAS, the total amount of this contract is \$550,000.00, with a local match of \$42,625.00 which is available in FTA 039.

Now therefore,

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

SECTION I. That grant contract with the Tennessee Department of Transportation (TDOT), in the amount of \$550,000.00, for reimbursement of capital expenses for the city transit system services is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, a grant contract with the Tennessee Department of Transportation (TDOT), in the amount of \$550,000.00, for reimbursement of capital expenses for the city transit system services.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Creating the Neighborhood Advisory Commission

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-265-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: Heather Cook
 Presentation By: Heather Cook

Recommendation:

Approve the Resolution.

Executive Summary:

The Housing Workgroup from the OneKingsport Summit focused on the creation of strong neighborhoods. One recommendation to facilitate the accomplishment of the goal was the creation of a Neighborhood Advisory Commission.

The three main responsibilities of the Neighborhood Advisory Commission will be to advise on problem solving (neighborhood driven); steps to strengthen neighborhoods; and providing a strong communication channel between neighborhoods and the city.

The Neighborhood Advisory Commission will include twelve members that are citizens of Kingsport and a designated BMA liaison and appropriate staff liaisons. The Neighborhood Advisory Commission will meet monthly on the last Thursday of each month, unless otherwise noted. Other than the initial terms each member of the Neighborhood Advisory Commission will serve a three-year term with the opportunity to serve one consecutive term. The initial terms will be staggered so that four members are appointed each year.

Attachments:

1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

A RESOLUTION CREATING THE NEIGHBORHOOD ADVISORY COMMISSION, ESTABLISHING ITS PURPOSE, AUTHORITY, MEMBERSHIP, LENGTH OF TERMS, ORGANIZATION, MEETING REQUIREMENTS, APPOINTMENT OF SUBCOMMITTEES, AND OTHER MATTERS PERTAINING TO THE COMMISSION

WHEREAS, the board of mayor and aldermen has determined that it would be helpful to have a neighborhood advisory commission composed of citizens of the city to advise on and promote initiatives to strengthen neighborhoods and, as needed, provide input to the board on the impact of various programs to neighborhoods under consideration by the board.

Now therefore,

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

SECTION I. There is created and established the neighborhood advisory commission, which shall generally promote citizen-driven problem-solving to strengthen neighborhoods, provide a communication channel between neighborhoods and the city, and, as needed, consider programs under consideration by the board of mayor and aldermen affecting the neighborhoods of the city and how such programs might impact the city as a whole or individual neighborhoods. The neighborhood advisory commission shall have no power or authority other than to make recommendations as set out in this resolution.

SECTION II. The neighborhood advisory commission shall be composed of twelve appointed members and one ex officio member. All members must, at all times, be residents of the city and shall be appointed by the mayor, with consideration of recommendations from the neighborhood advisory commission and the approval of the board of mayor and aldermen, for terms of three years, except for the initial appointment or appointment as a replacement. Every appointed member shall act and serve until their term expires or until a successor is appointed and qualifies. Provided, however, for the initial appointment of the neighborhood advisory commission, four appointed members shall be appointed for a term of one year, four appointed members shall be appointed for a term of two years, and four appointed members shall be appointed for a term of three years. No appointed members shall serve more than two consecutive terms. Additionally, a member of the board of mayor and aldermen shall serve as a voting ex officio member of the neighborhood advisory commission.

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

SECTION IV. If a vacancy occurs on the neighborhood advisory commission due to a member's death, resignation, moving from the city, inability or refusal to serve, or any other reason, the vacancy shall be filled for the unexpired term of such member by appointment of the mayor, with consideration of recommendations from the neighborhood advisory commission and the approval of the board of mayor and aldermen.

SECTION V. The members of the neighborhood advisory commission, by accepting appointment on the neighborhood advisory commission, shall serve without compensation and

shall perform their duties for the benefit of and for the general welfare of the city and its surrounding community.

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

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

SECTION VIII. As needed, the neighborhood advisory commission may, subject to the limitation of authority set out in this resolution, create subcommittees. Structure, purpose, tenure, and functions of each subcommittee shall be determined by the neighborhood advisory commission. Subcommittee membership appointments shall be made by the neighborhood advisory commission. Membership of each standing subcommittee shall include at least one neighborhood advisory commission member.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Authorizing FY18 Community Development Partner Agreements

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-268-2017
 Work Session: October 16, 2017
 First Reading: October 17, 2017

Final Adoption: October 17, 2017
 Staff Work By: Haga
 Presentation By: Lynn Tully, AICP

Recommendation:

Approve 2018 CDBG Partner Agreements Resolution.

Executive Summary:

At its business meeting on June 20, 2017, the Board of Mayor and Aldermen approved the Community Development program budget ordinance providing for the Community Development Program funded by the Department of Housing and Urban Development (HUD). The budget included a set aside of \$35,000 for Public Services programs, to be allocated at a later date to agencies by recommendation of the Community Development Advisory Committee. On October 9, 2017, the Community Development Advisory Committee reviewed agency applications and recommended allocations for Public Services partners funded under CDBG. The Advisory Committee's recommendations are as follows:

- \$21,142 – Learning Centers of KHRA
- \$ 7,604 – South Central Kingsport CDC
- \$ 1,251 – Sons and Daughters of Douglass
- \$ 5,003 – Help Our Potential Evolve (H.O.P.E.)

Attached is a resolution authorizing the Mayor to execute agreements with CDBG Public Service agencies. Also attached are the agreements providing CDBG funding.

Attachments:

1. CDBG Partner Authorizing Resolution
2. Partner Agreements

Funding source appropriate and funds are available:

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Oltman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
AGREEMENTS WITH VARIOUS AGENCIES AND
ORGANIZATIONS FOR COMMUNITY DEVELOPMENT BLOCK
GRANT AND EMERGENCY SOLUTIONS GRANT FUNDING IN
FISCAL YEAR 2017-2018

WHEREAS, the City of Kingsport desires to enter into agreements for services in fiscal year 2017-2018 benefiting the general welfare of city residents with the Kingsport Housing and Redevelopment Authority for the Learning Center of KHRA; Help Our Potential Evolve, Inc.; Sons and Daughters of Douglass, Inc.; South Central Kingsport Community Development, Inc.

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, agreements for services in fiscal year 2017-2018 benefiting the general welfare of City of Kingsport residents with the Kingsport Housing and Redevelopment Authority for the Learning Center of KHRA; Help Our Potential Evolve, Inc.; Sons and Daughters of Douglass, Inc.; South Central Kingsport Community Development, Inc.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**GRANT CONTRACT
BETWEEN THE CITY OF KINGSPORT, TENNESSEE
AND
KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY**

This Grant Contract, by and between the City of Kingsport, hereinafter referred to as the "City" and Kingsport Housing and Redevelopment Authority, hereinafter referred to as the "Operating Agency", is for the provision of services to the homeless and those at risk for homelessness under the Community Development Block Grant Program ("CDBG"), as further described under "Scope of Services and Deliverables" (the "SCOPE OF SERVICES").

Operating Agency's address P. O. Box 44, Kingsport, TN 37662

Operating Agency's Edison Vendor ID # _____

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Operating Agency shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant contract.
- A.2. To provide and operate public service activities to low and moderate income individuals and families within the city limits of Kingsport as specified in ATTACHMENT A: DESCRIPTION OF ACTIVITIES, ATTACHMENT B: IMPLEMENTATION PLAN, AND ATTACHMENT C: BUDGET.
- A.3. Incorporation of Additional Documents. Each of the following documents is included as part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Operating Agency's duties, responsibilities, and performance hereunder, these terms shall govern or order of precedence below:
- a. Title 24 Code of Federal Regulations, Part 570 and Part 91, of the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 (42 USC 5301 et.seq.), as amended (the "Federal CDBG Regulations").
 - b. The United States Department of Housing and Urban Development CDBG Desk Guide for Program and Eligibility Policies and Procedures.
- A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as ATTACHMENT D, is incorporated in this Grant Contract.
- A.5. To comply with the Eligible Activity Requirements of 24 CFR 570, Subpart C, and Part 91 as applicable in accordance with the type of project assisted.
- A.6. To maintain records adequate to document compliance with 24 CFR 570, along with such other records the City and HUD determines necessary to enable the City and HUD to fulfill its responsibilities in the CDBG Program. All records will be retained for a three (3) year period in accordance with the requirements of 24 CFR Part 570.
- A.7. To furnish to the City all reports required to be filed in accordance with any directives of the City and within the time period prescribed by the City for such reports.

B. TERM OF GRANT CONTRACT:

- B.1. Grant Term. This Grant Contract shall be effective on July 1, 2017 ("Effective Date") and extend for a period of twelve (12) months after the Effective Date to June 30, 2018 ("Term"). The City shall have no obligation for goods or services provided by the Operating Agency prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the City under this Grant Contract exceed **Twenty-One Thousand, One Hundred, Forty-Two DOLLARS (\$21,142.00)** ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment C, shall constitute the maximum amount due the Operating Agency under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Operating Agency.

- C.2. Compensation Firm. The Maximum Liability of the City is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

- C.3. Payment Methodology. The Operating Agency shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Operating Agency shall submit invoices, in form and substance acceptable to the City, with all necessary supporting documentation, prior to any reimbursement of allowable costs.

- C.4. Travel Compensation. Reimbursement to the Operating Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "City Comprehensive Travel Regulations", as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

- C.5. Invoice Requirements. The Operating Agency shall invoice the City based on an approved payment schedule, using the forms and all necessary supporting documentation specified by the HUD CDBG Requirements, and present such to:

City of Kingsport
Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Attention: Mark Haga

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line item amount(s) detailed. Any change in Grant Budget line items shall require an amendment to the Grant Contract.

- C.7. Disbursement Reconciliation and Close Out. The Operating Agency shall submit any final invoice and a grant disbursement reconciliation report within forty-five (45) days of the Grant Contract end date, in form and substance acceptable to the City.

- a. If total disbursements by the City pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Operating Agency shall refund the difference to the City. The Operating Agency shall submit said refund with the final grant disbursement reconciliation report.

- b. The City shall not be responsible for the payment of any invoice submitted to the City after the grant disbursement reconciliation report. The City will not deem any Operating Agency costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the City, and such invoices will NOT be paid.
 - c. The Operating Agency's failure to provide a final grant disbursement reconciliation report to the City as required shall result in the Operating Agency being deemed ineligible for reimbursement under this Grant Contract, and the Operating Agency shall be required to refund any and all payments by the city pursuant to this Grant Contract.
 - d. The Operating Agency must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Operating Agency request reimbursement for indirect costs, the Operating Agency must submit to the City a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Operating Agency will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Operating Agency makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Operating Agency agrees to remit any overpayment of funds to the City, and subject to the availability of funds the City agrees to remit any underpayment to the Operating Agency.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of City of Kingsport Departments of Finance and Administration Policies or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the City shall not prejudice the City's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the City shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Operating Agency shall be subject to reduction for amounts included in any invoice or payment that are determined by the City, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.
- C.12. City's Right to Set Off. The City reserves the right to deduct from amounts that are or shall become due and payable to the Operating Agency under this Grant Contract or any other contract between the Operating Agency and the City of Kingsport under which the Operating Agency has a right to receive payment from the City.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The City is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Kingsport and Tennessee laws and regulations.

- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Kingsport and Tennessee laws and regulations.
- D.3. Termination for Convenience. The City may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of the Grant Contract by the City. The City shall give the Operating Agency at least thirty (30) days written notice before the effective termination date. The Operating Agency shall be entitled to compensation for authorized expenditures and satisfactory services, in compliance with Federal CDBG Regulations, completed as of the termination date, but in no event shall the City be liable to the Operating Agency for compensation for any service that has not been rendered. The final decision as to the amount for which the City is liable shall be determined by the City. The Operating Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the City's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Operating Agency fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Operating Agency violates any terms of this Grant Contract ("Breach Condition"), the City shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Operating Agency shall not be relieved of liability to the City for damages sustained by virtue of any Breach Condition and the City may seek other remedies allowed at law or in equity for breach of this Grant Contract. Upon such termination, the Operating Agency shall have no claim to any CDBG funds remaining under this Grant Contract.
- D.5. Subcontracting. The Operating Agency shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the City. If such subcontracts are approved by the City, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest", "Lobbying", "Nondiscrimination", "Public Accountability", "Public Notice", and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Operating Agency shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Operating Agency warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the City of Kingsport as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Operating Agency in connection with any work contemplated or performed relative to this Grant Contract.

The Operating Agency acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Operating Agency is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development or if the Operating Agency is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development.

- D.7. Lobbying. The Operating Agency certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the

awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Operating Agency shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- D.8 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The City:

Mark A. Haga
City of Kingsport Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Telephone 423-229-9486
Email markhaga@kingsporttn.gov
Email pagejeffers@kingsporttn.gov

The Operating Agency:

Kingsport Housing and Redevelopment Authority

P. O. Box 44
Kingsport, TN 37662
Telephone 423-245-0135
Email

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the City reserves the right to terminate this Grant Contract upon written notice to the Operating Agency. The City's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the City. Upon receipt of the written notice, the Operating Agency shall cease all work associated with the Grant Contract. Should such an event occur, the Operating Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Operating Agency shall have no right to recover from the City any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.10. Nondiscrimination. The Operating Agency agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Operating Agency on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Operating Agency shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. The City and the Operating Agency shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of the Grant Contract.
- a. The Operating Agency warrants to the City that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Grant Contract.
 - b. The Operating Agency warrants that it will cooperate with the City, including cooperation and coordination with City privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The City and the Operating Agency will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the City and the Operating Agency in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
 - d. The Operating Agency will indemnify the City and hold it harmless for any violation by the Operating Agency or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the City because of the violation.
- D.12. Public Accountability. If the Operating Agency is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Operating Agency on behalf of the City, the Operating Agency agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Operating Agency shall also display in a prominent place, located near the passageway through which public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") inches in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL FREE HOTLINE: 1-800-232-5454

The sign shall be on the form prescribed by the City. The City shall obtain copies of the sign from HUD, and upon request from the Operating Agency, provide Operating Agency with any necessary signs.

- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Operating Agency in relation to this Grant Contract shall include the statement, "This project is funded under an agreement with the City of Kingsport and the U.S. Department of Housing and Urban Development." All notices by the Operating Agency in relation to this Grant Contract shall be approved by the City.
- D.14. Licensure. The Operating Agency and its employees and all sub-Operating Agencies shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Operating Agency and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Operating Agency and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Operating Agency shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Operating Agency shall establish a system of internal controls that utilize the COSO Internal Control – Integrated Framework model as the basic foundation for the internal control system. The Operating Agency shall incorporate any additional Tennessee Comptroller of the Treasury directives into its internal control system.

- D.16. Monitoring. The Operating Agency's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.
- D.17. Progress Reports. The Operating Agency shall submit brief, periodic, progress reports to the City as requested.
- D.18. Reports. The Operating Agency shall submit all reports with form, substance and deadlines as specified in the Federal CDBG Regulations. The Operating Agency shall submit, within one (1) month of the conclusion of the Term, a CDBG annual report to the City.
- D.19. Audit Reports. For purpose of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Operating Agency shall provide audited financial statements to the City of Kingsport if during the Operating Agency's fiscal year, the Operating Agency (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the City is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Operating Agency shall complete ATTACHMENT E: NOTICE OF AUDIT to notify the City whether or not Operating Agency is subject to an audit. The Operating Agency should submit only one, completed document during the Operating Agency's fiscal year. Any Operating Agency that is subject to an audit and so indicates on Attachment E shall complete ATTACHMENT F: PARENT CHILD INFORMATION. If the Operating Agency is subject to an audit, Operating Agency shall obtain the Tennessee Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Operating Agency may contact the Tennessee Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Operating Agency and the Auditor shall be on a contract form prescribed by the Comptroller. The Operating Agency shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Operating Agency shall be subject to the provision relating to such fees contained within the Grant Contract. The Operating Agency shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

- D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Operating Agency shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Operating Agency is a subrecipient, the Operating Agency shall comply with 2 C.F.R. §§ 200.318-300.326 when procuring property and services under a federal award.

The Operating Agency shall obtain prior approval from the City before purchasing any equipment under this Grant Contract.

- D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties

acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Operating Agency, being an independent contractor and not an employee of the City, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Operating Agency's employees, and to pay all applicable taxes incident to this Grant Contract.

- D.23. City Liability. The City shall have no liability except as specifically provided in this Grant Contract.
- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Operating Agency's representatives, suppliers, subcontractors, customers or business apart from the Grant Contract is not a Force Majeure Event under this Grant Contract. Operating Agency will promptly notify the City of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the City within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Operating Agency's performance longer than forty-eight (48) hours, the City may, upon notice to Operating Agency: (a) cease payment of the fees until Operating Agency resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Operating Agency will not increase its charges under this Grant Contract or charge the City any fees other than those provided for in the Grant Contract as the result of a Force Majeure Event.
- D.25. Tennessee Department of Revenue Registration. The Operating Agency shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.
- D.26. Reserved.
- D.27. City Interest in Equipment or Motor Vehicles. The Operating Agency shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant contract, subject to the City's, equitable interest therein, to the extent of its *pro rata* share, based upon, the City's, contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition costs which equals or

exceeds five thousand dollars (\$5,000). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant contract to create a security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this Grant contract. A further intent of this Grant contract is to acknowledge and continue the security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this program's prior year Grant contracts between the City, and the Operating Agency.

The Operating Agency grants the City a security interest in all equipment or motor vehicles acquired in whole or in part by the Operating Agency under this Grant contract. This Grant contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Operating Agency hereby grants the City a security interest in said equipment or motor vehicles. The Operating Agency agrees that the City may file this Grant contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Operating Agency agrees to execute and deliver to the City, upon the City's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant contract in such form as the City may require to perfect a security interest with respect to said equipment or motor vehicles. The Operating Agency shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the City may reasonably require. Without the prior written consent of the City, the Operating Agency shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Operating Agency's breach of any covenant or agreement contained in this Grant contract, including the covenants to pay when due all sums secured by this Grant contract. The City shall have the remedies of a secured party under the Uniform Commercial Code and, at the City's option, may also invoke the remedies herein provided.

The Operating Agency agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant contract. The Operating Agency shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;

- g. Location within the Operating Agency's operations where the equipment or motor vehicles is used;
 - h. Condition of the property or disposition date if Operating Agency no longer has possession;
 - i. Depreciation method, if applicable; and
 - j. Monthly depreciation amount, if applicable.
 - k. The Operating Agency shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Operating Agency shall inventory equipment or motor vehicles annually. The Operating Agency must compare the results of the inventory with the inventory control report and investigate any differences. The Operating Agency must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.
 - l. The Operating Agency shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant contract within thirty (30) days of its end date and in form and substance acceptable to the City. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Operating Agency shall notify the City, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Operating Agency shall be responsible to the City for the *pro rata* amount of the residual value at the time of loss based upon the City's original contribution to the purchase price.
 - m. Upon termination of the Grant contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant contract, the Operating Agency shall request written approval from the City for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.
- D.28. City, State and Federal Compliance. The Operating Agency shall comply with all applicable city, state, and federal laws, ordinances, rules and regulations in performance of this Grant Contract.
- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Operating Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Operating Agency acknowledges and agrees that any rights or claims against the City of Kingsport or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. § 29-20-101 *et seq.* and the sovereign immunity the city has through the State of Tennessee.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall control.

E.2. Debarment and Suspension. The Operating Agency certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. Have not within a three (3) year period preceding this the date of this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. Have not within a three (3) year period preceding the date of this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Operating Agency shall provide immediate written notice to the City if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.3. Work Papers Subject to Review. The Operating Agency shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the City, the U. S. Department of Housing and Urban Development, or their respective representatives upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

E.4. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Children's Act for Clean Indoor Air of 1995", Tenn. Code Ann. §§ 39-17-1601 through 1606, the Operating Agency shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Operating Agency shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all

hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be a part of any subcontract related to this Grant Contract.

- E.5. Hold Harmless. To the extent permitted by State law, the Operating Agency agrees to indemnify and hold harmless the City of Kingsport, the U. S. Department of Housing and Urban Development, as well as its officers, agents and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operating Agency, its employees, or any person acting for or on its or their behalf relating to this Grant Contract. The Operating Agency further agrees it shall be liable for the reasonable cost of attorneys and court costs for the City, the U. S. Department of Housing and Urban Development to enforce the terms of this Grant Contract.

In the event of any such suit or claim, the parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the City, the U. S. Department of Housing and Urban Development to give notice shall only relieve the Operating Agency of its obligations under this Section to the extent that the Operating Agency can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Operating Agency, through its attorney(s), the right to represent the City of Kingsport, the U. S. Department of Housing and Urban Development in any legal matter, as the right to represent the City and the State is governed by Tenn. Code Ann. § 8-6-106.

- E.6. Federal Funding Accountability and Transparency Act ("FFATA"). This Grant requires the Operating Agency to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Operating Agency is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Operating Agency provides information to the City as required. The Operating Agency shall comply with the following:

a. Reporting of Total Compensation of the Operating Agency's Executives.

- (1) The Operating Agency shall report the names and total compensation of each of its five (5) most highly compensated executives for the Operating Agency's preceding completed fiscal year, if in the Operating Agency's preceding fiscal year it received:
 - i. 80 percent or more of the Operating Agency's annual gross revenues from federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and sub awards); and
 - ii. \$25,000,000 or more in annual gross annual revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports files under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 CFR § 170.315. "Executive" means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Operating Agency's preceding fiscal year and includes the following (for information see 17 § CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings or deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites of property) for the executive exceeds \$10,000.
- b. The Operating Agency must report executive total compensation described above to the City by the end of the month during which this Grant Contract is fully executed.
- c. If this Grant Contract is amended to extend the Term, the Operating Agency must submit an executive total compensation report to the City by the end of the month in which the amendment to this Grant Contract becomes effective.
- d. The Operating Agency will obtain a Data Universal Numbering System ("DUNS") number and maintain its DUNS number for the terms of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

The Operating Agency's failure to comply with the above requirements is a material breach of this Grant Contract for which the City may terminate this Grant Contract for cause. The City will not be obligated to pay any outstanding invoice received from the Operating Agency unless and until the Operating Agency is in full compliance with the above requirements.

- E.7. Training. The Operating Agency agrees to attend all training sessions regarding management of the CDBG Program which are scheduled by the City and HUD.
- E.8. CDBG Program Requirements. Under this Grant Contract, Operating Agency is receiving an allocation or grant of Community Development Block Grant Program funds. The Operating Agency understands these funds are made available through the U.S. Department of Housing and Urban Development (HUD) and to facilitate the receipt of these funds the Operating Agency agrees and certifies to comply with all applicable HUD

requirements. Without limitations, Operating Agency specifically agrees and certifies as to the following:

- a. The Operating Agency will abide with all of the requirements of 24 CFR, Part 570 and Part 91, Community Development Block Grant Program.
- b. The Operating Agency will comply with other applicable Federal requirements in 24 CFR, Part 570 and Part 91, as follows:
 1. 24 CFR 5.105(a). Section 3 Nondiscrimination and Equal Opportunity;
 2. 24 CFR 570 Subpart A, General Provisions;
 3. 24 CFR 570 Subpart C, Eligible Activities;
 4. 24 CFR 570 Subpart J, Grant Administration;
 5. 24 CFR 570 Subpart K, Other Program Requirements;
 6. 24 CFR 570 Subpart O, Performance Reviews;
 7. Title VI and Executive Order 13166 Affirmative Outreach
- c. If the Operating Agency is primarily a religious organization, it agrees to use its funds to provide all eligible activities under this program in a manner that is free from religious influences as provided by 24 CFR 576.406.
- d. The Operating Agency will comply with the uniform administrative requirements of 24 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, and the requirements of 24 CFR 576.407.
- e. The Operating Agency will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR, Part 24 and the requirements of 24 CFR 576.59.
- f. The Operating Agency will comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992, implementing regulations at 24 CFR, Part 35, Subparts A, B, H, J, K, and M as applicable.
- g. The Operating Agency will use CDBG funds pursuant to its or the City's Consolidated Plan approved by HUD and all requirements of 24 CFR, Part 570 and Part 91.
- h. The Operating Agency will maintain adequate documentation to determine eligibility of persons served by the CDBG program.
- i. The Operating Agency will develop and implement procedures to ensure the confidentiality of records pertaining to any individual fleeing domestic violence situations. In addition the address and location of family violence shelter facilities receiving ESG funding may not be publicly disclosed except with the written authorization of the person(s) responsible for the shelter facility's operation.

E.9. Drug Free Workplace. The Operating Agency will or will continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the action that will be taken against employees for violation of such prohibition;
- b. Establishing an ongoing drug-free awareness program to inform employees about:
 - 1. The dangers of drug abuse in the workplace;
 - 2. The Operating Agency's policy of maintaining a drug-free workplace;
 - 3. Any drug counseling, rehabilitation and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c. Making it a requirement that each employee to be engaged in the performance of this Grant Contract be given a copy of the statement required by Paragraph E.10.(a);
- d. Notifying the employee in the statement required by Paragraph E.10(a) that, as a condition of employment under this Grant Contract, the employee will:
 - 1. Abide by the terms of the statement; and
 - 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- e. Notifying the City in writing, within ten calendar days after receiving notice under Paragraph E.10(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- f. Taking one of the following actions, within thirty calendar days of receiving notice under Paragraph E.10(d)(2), with respect to any employee who is so convicted:
 - 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs E.10 (a), (b), (c), (d), (e) and (f).

E.10. Corrective Action. If the City takes any corrective or remedial action as outlined in 24 CFR § 570.910 that is the result of any action taken by the Operating Agency, the

Operating Agency will take any action required by the City to prevent a continuation of the deficiency, mitigate to the extent possible its adverse effects or consequences, and prevent its recurrence. These remedies could, among other actions, include repaying CDBG funds to the City.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

John Clark, Mayor

Date

ATTEST:

James H. Demming, City Recorder

Date

KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY

Terry Cunningham, Director

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date

ATTACHMENT A

2017 CDBG PROGRAM DESCRIPTION OF OPERATING AGENCY ACTIVITIES

OPERATING AGENCY: Kingsport Housing and Redevelopment Authority

I. The activities for the 2017 CDBG Project shall consist of the following:

A. Purpose of Project

Learning Centers of KHRA's Literacy Program will provide adult basic literacy instruction, parenting skills and support programs, and literacy intensive schedule for children and teenagers aged 5 to 18 years. These funds will aid participants to expand economic skills, by improving their literacy skills so that they can earn a GED (or in the case of the children, graduate from high school) undertake meaningful job training, find appropriate employment and lead proud, productive lives.

B. Method of Operation

The program will be available to tenants of Kingsport Public Housing facilities and low and very low-income persons. The program will be administered by **KHRA** and will provide staff support for record keeping, disbursement of funds and approval of participants.

ATTACHMENT B

2017 CDBG Program IMPLEMENTATION PLAN FOR CDBG PROJECTS

OPERATING AGENCY: Kingsport Housing and Redevelopment Authority

I. The time table for completing the activities for the project shall be:

- | | | |
|----|--|---------------|
| 1. | Determination of status for Environmental Review | July 1, 2017 |
| 2. | Release of Funds | July 1, 2017 |
| 3. | Begin providing services to residents | July 1, 2017 |
| 4. | Contract complete | June 30, 2018 |

ATTACHMENT C

2017 CDBG PROGRAM

PROJECT BUDGET

OPERATING AGENCY: Kingsport Housing and Redevelopment Authority

CDBG funds will be used as follows:

Program Costs	\$21,142
TOTAL FOR GRANT	\$21,142

ATTACHMENT D

Federal Award Identification Worksheet

Operating Agency's name (must match registered name in DUNS)	Kingsport Housing and Redevelopment Authority
Operating Agency's DUNS number	
Federal Award Identification Number (FAIN)	B-17-MC-47-0004
Federal award date	July 1, 2017
CFDA number and name	14.218 Community Development Grant Program
Grant contract's begin date	July 1, 2017
Grant contract's end date	June 30, 2018
Amount of federal funds obligated by this grant contract	\$21,142
Total amount of federal funds obligated to the Operating Agency	\$21,142
Total amount of the federal award to the City of Kingsport	\$354,288
Name of federal awarding agency	U.S. Department of Housing and Urban Development
Name and contact information for the federal awarding official	Mary C. Wilson, Director Community Planning and Development U.S. Department of Housing and Urban Development Knoxville Field Office 710 Locust Street, Third Floor Knoxville, TN 37902-2526
Is the federal award for research and development?	No
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	To be determined by cost allocation plan approved by Operating Agency's cognizant agency

ATTACHMENT E

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. **The Operating Agency should submit only one, completed "Notice of Audit Report" document to the City during the Operating Agency's fiscal year.**

- ☐ _____ is subject to an audit for fiscal year 2017.
- ☐ _____ is not subject to an audit for fiscal year 2017.

Any Operating Agency that is subject to an audit must complete the information below.

Operating Agency's Edison Vendor ID Number: _____

Type of funds expended	Estimated amount of funds expended by end of Operating Agency's fiscal year
Federal pass-through funds	
a. Funds passed through the City of Kingsport	a. \$21,142
b. Funds passed through any other entity	b. \$0
Funds received directly from the federal government	\$
Non-federal funds received directly from the City of Kingsport	\$

Auditor's Name: _____

Auditor's address: _____

Auditor's phone number: _____

Auditor's email: _____

ATTACHMENT F

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Operating Agency should submit only one, completed "Parent Child Information" document to the City during the Operating Agency's fiscal year if the Operating Agency indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Operating Agency's Edison Vendor ID number: _____

Is _____ a parent? Yes ☐ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is _____ a child? Yes ☐ No ☐

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

**GRANT CONTRACT
BETWEEN THE CITY OF KINGSPORT, TENNESSEE
AND
SOUTH CENTRAL KINGSPORT COMMUNITY DEVELOPMENT, Inc.**

This Grant Contract, by and between the City of Kingsport, hereinafter referred to as the "City" and South Central Kingsport Community Development, Inc., hereinafter referred to as the "Operating Agency", is for the provision of services to the homeless and those at risk for homelessness under the Community Development Block Grant Program ("CDBG"), as further described under "Scope of Services and Deliverables" (the "SCOPE OF SERVICES").

Operating Agency's address 1140 Martin Luther King Dr., Kingsport, TN 37660
Operating Agency's Edison Vendor ID # _____

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Operating Agency shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant contract.
- A.2. To provide and operate public service activities to low and moderate income individuals and families within the city limits of Kingsport as specified in ATTACHMENT A: DESCRIPTION OF ACTIVITIES, ATTACHMENT B: IMPLEMENTATION PLAN, AND ATTACHMENT C: BUDGET.
- A.3. Incorporation of Additional Documents. Each of the following documents is included as part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Operating Agency's duties, responsibilities, and performance hereunder, these terms shall govern or order of precedence below:
 - a. Title 24 Code of Federal Regulations, Part 570 and Part 91, of the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 (42 USC 5301 et.seq.), as amended (the "Federal CDBG Regulations").
 - b. The United States Department of Housing and Urban Development CDBG Desk Guide for Program and Eligibility Policies and Procedures.
- A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as ATTACHMENT D, is incorporated in this Grant Contract.
- A.5. To comply with the Eligible Activity Requirements of 24 CFR 570, Subpart C, and Part 91 as applicable in accordance with the type of project assisted.
- A.6. To maintain records adequate to document compliance with 24 CFR 570, along with such other records the City and HUD determines necessary to enable the City and HUD to fulfill its responsibilities in the CDBG Program. All records will be retained for a three (3) year period in accordance with the requirements of 24 CFR Part 570.
- A.7. To furnish to the City all reports required to be filed in accordance with any directives of the City and within the time period prescribed by the City for such reports.

B. TERM OF GRANT CONTRACT:

- B.1. Grant Term. This Grant Contract shall be effective on July 1, 2017 ("Effective Date") and extend for a period of twelve (12) months after the Effective Date to June 30, 2018 ("Term"). The City shall have no obligation for goods or services provided by the Operating Agency prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the City under this Grant Contract exceed Seven Thousand, Six Hundred, Four DOLLARS (\$7,604.00) ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment C, shall constitute the maximum amount due the Operating Agency under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Operating Agency.

- C.2. Compensation Firm. The Maximum Liability of the City is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

- C.3. Payment Methodology. The Operating Agency shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Operating Agency shall submit invoices, in form and substance acceptable to the City, with all necessary supporting documentation, prior to any reimbursement of allowable costs.

- C.4. Travel Compensation. Reimbursement to the Operating Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "City Comprehensive Travel Regulations", as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

- C.5. Invoice Requirements. The Operating Agency shall invoice the City based on an approved payment schedule, using the forms and all necessary supporting documentation specified by the HUD CDBG Requirements, and present such to:

City of Kingsport
Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Attention: Mark Haga

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line item amount(s) detailed. Any change in Grant Budget line items shall require an amendment to the Grant Contract.

- C.7. Disbursement Reconciliation and Close Out. The Operating Agency shall submit any final invoice and a grant disbursement reconciliation report within forty-five (45) days of the Grant Contract end date, in form and substance acceptable to the City.

- a. If total disbursements by the City pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Operating Agency shall refund the difference to the City. The Operating Agency shall submit said refund with the final grant disbursement reconciliation report.

- b. The City shall not be responsible for the payment of any invoice submitted to the City after the grant disbursement reconciliation report. The City will not deem any Operating Agency costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the City, and such invoices will NOT be paid.
 - c. The Operating Agency's failure to provide a final grant disbursement reconciliation report to the City as required shall result in the Operating Agency being deemed ineligible for reimbursement under this Grant Contract, and the Operating Agency shall be required to refund any and all payments by the city pursuant to this Grant Contract.
 - d. The Operating Agency must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Operating Agency request reimbursement for indirect costs, the Operating Agency must submit to the City a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Operating Agency will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Operating Agency makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Operating Agency agrees to remit any overpayment of funds to the City, and subject to the availability of funds the City agrees to remit any underpayment to the Operating Agency.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of City of Kingsport Departments of Finance and Administration Policies or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the City shall not prejudice the City's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the City shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Operating Agency shall be subject to reduction for amounts included in any invoice or payment that are determined by the City, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.
- C.12. City's Right to Set Off. The City reserves the right to deduct from amounts that are or shall become due and payable to the Operating Agency under this Grant Contract or any other contract between the Operating Agency and the City of Kingsport under which the Operating Agency has a right to receive payment from the City.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The City is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Kingsport and Tennessee laws and regulations.

- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Kingsport and Tennessee laws and regulations.
- D.3. Termination for Convenience. The City may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of the Grant Contract by the City. The City shall give the Operating Agency at least thirty (30) days written notice before the effective termination date. The Operating Agency shall be entitled to compensation for authorized expenditures and satisfactory services, in compliance with Federal CDBG Regulations, completed as of the termination date, but in no event shall the City be liable to the Operating Agency for compensation for any service that has not been rendered. The final decision as to the amount for which the City is liable shall be determined by the City. The Operating Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the City's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Operating Agency fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Operating Agency violates any terms of this Grant Contract ("Breach Condition"), the City shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Operating Agency shall not be relieved of liability to the City for damages sustained by virtue of any Breach Condition and the City may seek other remedies allowed at law or in equity for breach of this Grant Contract. Upon such termination, the Operating Agency shall have no claim to any CDBG funds remaining under this Grant Contract.
- D.5. Subcontracting. The Operating Agency shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the City. If such subcontracts are approved by the City, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest", "Lobbying", "Nondiscrimination", "Public Accountability", "Public Notice", and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Operating Agency shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Operating Agency warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the City of Kingsport as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Operating Agency in connection with any work contemplated or performed relative to this Grant Contract.

The Operating Agency acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Operating Agency is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development or if the Operating Agency is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development.

- D.7. Lobbying. The Operating Agency certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the

awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Operating Agency shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- D.8 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The City:

Mark A. Haga
City of Kingsport Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Telephone 423-229-9486
Email markhaga@kingsporttn.gov
Email pagejeffers@kingsporttn.gov

The Operating Agency:

South Central Kingsport Community Development, Inc.
1140 Martin Luther King Drive
Kingsport, TN 37660
Telephone 423-677-9779
Email

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the City reserves the right to terminate this Grant Contract upon written notice to the Operating Agency. The City's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the City. Upon receipt of the written notice, the Operating Agency shall cease all work associated with the Grant Contract. Should such an event occur, the Operating Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Operating Agency shall have no right to recover from the City any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.10. Nondiscrimination. The Operating Agency agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Operating Agency on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Operating Agency shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. The City and the Operating Agency shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of the Grant Contract.
- a. The Operating Agency warrants to the City that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Grant Contract.
 - b. The Operating Agency warrants that it will cooperate with the City, including cooperation and coordination with City privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The City and the Operating Agency will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the City and the Operating Agency in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
 - d. The Operating Agency will indemnify the City and hold it harmless for any violation by the Operating Agency or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the City because of the violation.
- D.12. Public Accountability. If the Operating Agency is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Operating Agency on behalf of the City, the Operating Agency agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Operating Agency shall also display in a prominent place, located near the passageway through which public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") inches in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL FREE HOTLINE: 1-800-232-5454

The sign shall be on the form prescribed by the City. The City shall obtain copies of the sign from HUD, and upon request from the Operating Agency, provide Operating Agency with any necessary signs.

- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Operating Agency in relation to this Grant Contract shall include the statement, "This project is funded under an agreement with the City of Kingsport and the U.S. Department of Housing and Urban Development." All notices by the Operating Agency in relation to this Grant Contract shall be approved by the City.
- D.14. Licensure. The Operating Agency and its employees and all sub-Operating Agencies shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Operating Agency and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Operating Agency and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Operating Agency shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Operating Agency shall establish a system of internal controls that utilize the COSO Internal Control – Integrated Framework model as the basic foundation for the internal control system. The Operating Agency shall incorporate any additional Tennessee Comptroller of the Treasury directives into its internal control system.

- D.16. Monitoring. The Operating Agency's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.
- D.17. Progress Reports. The Operating Agency shall submit brief, periodic, progress reports to the City as requested.
- D.18. Reports. The Operating Agency shall submit all reports with form, substance and deadlines as specified in the Federal CDBG Regulations. The Operating Agency shall submit, within one (1) month of the conclusion of the Term, a CDBG annual report to the City.
- D.19. Audit Reports. For purpose of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Operating Agency shall provide audited financial statements to the City of Kingsport if during the Operating Agency's fiscal year, the Operating Agency (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the City is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Operating Agency shall complete ATTACHMENT E: NOTICE OF AUDIT to notify the City whether or not Operating Agency is subject to an audit. The Operating Agency should submit only one, completed document during the Operating Agency's fiscal year. Any Operating Agency that is subject to an audit and so indicates on Attachment E shall complete ATTACHMENT F: PARENT CHILD INFORMATION. If the Operating Agency is subject to an audit, Operating Agency shall obtain the Tennessee Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Operating Agency may contact the Tennessee Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Operating Agency and the Auditor shall be on a contract form prescribed by the Comptroller. The Operating Agency shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Operating Agency shall be subject to the provision relating to such fees contained within the Grant Contract. The Operating Agency shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

- D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Operating Agency shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Operating Agency is a subrecipient, the Operating Agency shall comply with 2 C.F.R. §§ 200.318-300.326 when procuring property and services under a federal award.

The Operating Agency shall obtain prior approval from the City before purchasing any equipment under this Grant Contract.

- D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties

acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Operating Agency, being an independent contractor and not an employee of the City, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Operating Agency's employees, and to pay all applicable taxes incident to this Grant Contract.

D.23. City Liability. The City shall have no liability except as specifically provided in this Grant Contract.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Operating Agency's representatives, suppliers, subcontractors, customers or business apart from the Grant Contract is not a Force Majeure Event under this Grant Contract. Operating Agency will promptly notify the City of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the City within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Operating Agency's performance longer than forty-eight (48) hours, the City may, upon notice to Operating Agency: (a) cease payment of the fees until Operating Agency resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Operating Agency will not increase its charges under this Grant Contract or charge the City any fees other than those provided for in the Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Operating Agency shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26. Reserved.

D.27. City Interest in Equipment or Motor Vehicles. The Operating Agency shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant contract, subject to the City's, equitable interest therein, to the extent of its *pro rata* share, based upon, the City's, contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition costs which equals or

exceeds five thousand dollars (\$5,000). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant contract to create a security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this Grant contract. A further intent of this Grant contract is to acknowledge and continue the security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this program's prior year Grant contracts between the City, and the Operating Agency.

The Operating Agency grants the City a security interest in all equipment or motor vehicles acquired in whole or in part by the Operating Agency under this Grant contract. This Grant contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Operating Agency hereby grants the City a security interest in said equipment or motor vehicles. The Operating Agency agrees that the City may file this Grant contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Operating Agency agrees to execute and deliver to the City, upon the City's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant contract in such form as the City may require to perfect a security interest with respect to said equipment or motor vehicles. The Operating Agency shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the City may reasonably require. Without the prior written consent of the City, the Operating Agency shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Operating Agency's breach of any covenant or agreement contained in this Grant contract, including the covenants to pay when due all sums secured by this Grant contract. The City shall have the remedies of a secured party under the Uniform Commercial Code and, at the City's option, may also invoke the remedies herein provided.

The Operating Agency agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant contract. The Operating Agency shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;

- g. Location within the Operating Agency's operations where the equipment or motor vehicles is used;
 - h. Condition of the property or disposition date if Operating Agency no longer has possession;
 - i. Depreciation method, if applicable; and
 - j. Monthly depreciation amount, if applicable.
 - k. The Operating Agency shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Operating Agency shall inventory equipment or motor vehicles annually. The Operating Agency must compare the results of the inventory with the inventory control report and investigate any differences. The Operating Agency must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.
 - l. The Operating Agency shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant contract within thirty (30) days of its end date and in form and substance acceptable to the City. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Operating Agency shall notify the City, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Operating Agency shall be responsible to the City for the *pro rata* amount of the residual value at the time of loss based upon the City's original contribution to the purchase price.
 - m. Upon termination of the Grant contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant contract, the Operating Agency shall request written approval from the City for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.
- D.28. City, State and Federal Compliance. The Operating Agency shall comply with all applicable city, state, and federal laws, ordinances, rules and regulations in performance of this Grant Contract.
- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Operating Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Operating Agency acknowledges and agrees that any rights or claims against the City of Kingsport or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. § 29-20-101 *et seq.* and the sovereign immunity the city has through the State of Tennessee.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall control.

E.2. Debarment and Suspension. The Operating Agency certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. Have not within a three (3) year period preceding this the date of this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. Have not within a three (3) year period preceding the date of this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Operating Agency shall provide immediate written notice to the City if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.3. Work Papers Subject to Review. The Operating Agency shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the City, the U. S. Department of Housing and Urban Development, or their respective representatives upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

E.4. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Children's Act for Clean Indoor Air of 1995", Tenn. Code Ann. §§ 39-17-1601 through 1606, the Operating Agency shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Operating Agency shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all

hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be a part of any subcontract related to this Grant Contract.

- E.5. Hold Harmless. To the extent permitted by State law, the Operating Agency agrees to indemnify and hold harmless the City of Kingsport, the U. S. Department of Housing and Urban Development, as well as its officers, agents and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operating Agency, its employees, or any person acting for or on its or their behalf relating to this Grant Contract. The Operating Agency further agrees it shall be liable for the reasonable cost of attorneys and court costs for the City, the U. S. Department of Housing and Urban Development to enforce the terms of this Grant Contract.

In the event of any such suit or claim, the parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the City, the U. S. Department of Housing and Urban Development to give notice shall only relieve the Operating Agency of its obligations under this Section to the extent that the Operating Agency can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Operating Agency, through its attorney(s), the right to represent the City of Kingsport, the U. S. Department of Housing and Urban Development in any legal matter, as the right to represent the City and the State is governed by Tenn. Code Ann. § 8-6-106.

- E.6. Federal Funding Accountability and Transparency Act ("FFATA"). This Grant requires the Operating Agency to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Operating Agency is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Operating Agency provides information to the City as required. The Operating Agency shall comply with the following:

a. Reporting of Total Compensation of the Operating Agency's Executives.

- (1) The Operating Agency shall report the names and total compensation of each of its five (5) most highly compensated executives for the Operating Agency's preceding completed fiscal year, if in the Operating Agency's preceding fiscal year it received:
 - i. 80 percent or more of the Operating Agency's annual gross revenues from federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and sub awards); and
 - ii. \$25,000,000 or more in annual gross annual revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports files under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 CFR § 170.315. "Executive" means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Operating Agency's preceding fiscal year and includes the following (for information see 17 § CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings or deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites of property) for the executive exceeds \$10,000.
- b. The Operating Agency must report executive total compensation described above to the City by the end of the month during which this Grant Contract is fully executed.
- c. If this Grant Contract is amended to extend the Term, the Operating Agency must submit an executive total compensation report to the City by the end of the month in which the amendment to this Grant Contract becomes effective.
- d. The Operating Agency will obtain a Data Universal Numbering System ("DUNS") number and maintain its DUNS number for the terms of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

The Operating Agency's failure to comply with the above requirements is a material breach of this Grant Contract for which the City may terminate this Grant Contract for cause. The City will not be obligated to pay any outstanding invoice received from the Operating Agency unless and until the Operating Agency is in full compliance with the above requirements.

- E.7. Training. The Operating Agency agrees to attend all training sessions regarding management of the CDBG Program which are scheduled by the City and HUD.
- E.8. CDBG Program Requirements. Under this Grant Contract, Operating Agency is receiving an allocation or grant of Community Development Block Grant Program funds. The Operating Agency understands these funds are made available through the U.S. Department of Housing and Urban Development (HUD) and to facilitate the receipt of these funds the Operating Agency agrees and certifies to comply with all applicable HUD

requirements. Without limitations, Operating Agency specifically agrees and certifies as to the following:

- a. The Operating Agency will abide with all of the requirements of 24 CFR, Part 570 and Part 91, Community Development Block Grant Program.
 - b. The Operating Agency will comply with other applicable Federal requirements in 24 CFR, Part 570 and Part 91, as follows:
 - 1. 24 CFR 5.105(a). Section 3 Nondiscrimination and Equal Opportunity;
 - 2. 24 CFR 570 Subpart A, General Provisions;
 - 3. 24 CFR 570 Subpart C, Eligible Activities;
 - 4. 24 CFR 570 Subpart J, Grant Administration;
 - 5. 24 CFR 570 Subpart K, Other Program Requirements;
 - 6. 24 CFR 570 Subpart O, Performance Reviews;
 - 7. Title VI and Executive Order 13166 Affirmative Outreach
 - c. If the Operating Agency is primarily a religious organization, it agrees to use its funds to provide all eligible activities under this program in a manner that is free from religious influences as provided by 24 CFR 576.406.
 - d. The Operating Agency will comply with the uniform administrative requirements of 24 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, and the requirements of 24 CFR 576.407.
 - e. The Operating Agency will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR, Part 24 and the requirements of 24 CFR 576.59.
 - f. The Operating Agency will comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992, implementing regulations at 24 CFR, Part 35, Subparts A, B, H, J, K, and M as applicable.
 - g. The Operating Agency will use CDBG funds pursuant to its or the City's Consolidated Plan approved by HUD and all requirements of 24 CFR, Part 570 and Part 91.
 - h. The Operating Agency will maintain adequate documentation to determine eligibility of persons served by the CDBG program.
 - i. The Operating Agency will develop and implement procedures to ensure the confidentiality of records pertaining to any individual fleeing domestic violence situations. In addition the address and location of family violence shelter facilities receiving ESG funding may not be publicly disclosed except with the written authorization of the person(s) responsible for the shelter facility's operation.
- E.9. Drug Free Workplace. The Operating Agency will or will continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the action that will be taken against employees for violation of such prohibition;
- b. Establishing an ongoing drug-free awareness program to inform employees about:
 1. The dangers of drug abuse in the workplace;
 2. The Operating Agency's policy of maintaining a drug-free workplace;
 3. Any drug counseling, rehabilitation and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c. Making it a requirement that each employee to be engaged in the performance of this Grant Contract be given a copy of the statement required by Paragraph E.10.(a);
- d. Notifying the employee in the statement required by Paragraph E.10(a) that, as a condition of employment under this Grant Contract, the employee will:
 1. Abide by the terms of the statement; and
 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- e. Notifying the City in writing, within ten calendar days after receiving notice under Paragraph E.10(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- f. Taking one of the following actions, within thirty calendar days of receiving notice under Paragraph E.10(d)(2), with respect to any employee who is so convicted:
 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs E.10 (a), (b), (c), (d), (e) and (f).

E.10. Corrective Action. If the City takes any corrective or remedial action as outlined in 24 CFR § 570.910 that is the result of any action taken by the Operating Agency, the

Operating Agency will take any action required by the City to prevent a continuation of the deficiency, mitigate to the extent possible its adverse effects or consequences, and prevent its recurrence. These remedies could, among other actions, include repaying CDBG funds to the City.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

John Clark, Mayor

Date

ATTEST:

James H. Demming, City Recorder

Date

SOUTH CENTRAL KINGSPORT COMMUNITY DEVELOPMENT, Inc.

Kenneth Calvert, President

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date

ATTACHMENT A

2017 CDBG PROGRAM DESCRIPTION OF OPERATING AGENCY ACTIVITIES

OPERATING AGENCY: South Central Kingsport Community Development, Inc.

I. The activities for the 2017 CDBG Project shall consist of the following:

A. Purpose of Project

The 2017 South Central Kingsport CDC project will conduct a program to improve employment assistance for low-income residents through the Riverview Employment Outreach Program located at 1140 Martin Luther King Dr., provide staffing for the South Central Neighborhood community programs.

B. Method of Operation

The programs will be available to residents of the South Central Kingsport Neighborhood consisting primarily of Block Group 2 and portion of Block Group 1 of Census tract 402 and a portion of Census Tract 407. The programs will be administered by South Central, which will provide staff support for record keeping, disbursement of funds and approval of participants.

ATTACHMENT B

2017 CDBG Program IMPLEMENTATION PLAN FOR CDBG PROJECTS

OPERATING AGENCY: South Central Kingsport Community Development, Inc.

I. The time table for completing the activities for the project shall be:

- | | | |
|----|--|---------------|
| 1. | Determination of status for Environmental Review | July 1, 2017 |
| 2. | Release of Funds | July 1, 2017 |
| 3. | Begin providing services to residents | July 1, 2017 |
| 4. | Contract complete | June 30, 2018 |

ATTACHMENT C

2017 CDBG PROGRAM

PROJECT BUDGET

OPERATING AGENCY: South Central Kingsport Community Development, Inc.

CDBG funds will be used as follows:

Program Costs	\$7,604
TOTAL FOR GRANT	\$7,604

ATTACHMENT D

Federal Award Identification Worksheet

Operating Agency's name (must match registered name in DUNS)	South Central Kingsport Community Development, Inc.
Operating Agency's DUNS number	
Federal Award Identification Number (FAIN)	B-17-MC-47-0004
Federal award date	July 1, 2017
CFDA number and name	14.218 Community Development Grant Program
Grant contract's begin date	July 1, 2017
Grant contract's end ate	June 30, 2018
Amount of federal funds obligated by this grant contract	\$7,604
Total amount of federal funds obligated to the Operating Agency	\$7,604
Total amount of the federal award to the City of Kingsport	\$354,288
Name of federal awarding agency	U.S. Department of Housing and Urban Development
Name and contact information for the federal awarding official	Mary C. Wilson, Director Community Planning and Development U.S. Department of Housing and Urban Development Knoxville Field Office 710 Locust Street, Third Floor Knoxville, TN 37902-2526
Is the federal award for research and development?	No
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	To be determined by cost allocation plan approved by Operating Agency's cognizant agency

ATTACHMENT E

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. **The Operating Agency should submit only one, completed "Notice of Audit Report" document to the City during the Operating Agency's fiscal year.**

- ☐ _____ is subject to an audit for fiscal year 2017.
- ☐ _____ is not subject to an audit for fiscal year 2017.

Any Operating Agency that is subject to an audit must complete the information below.

Operating Agency's Edison Vendor ID Number: _____

Type of funds expended	Estimated amount of funds expended by end of Operating Agency's fiscal year
Federal pass-through funds	
a. Funds passed through the City of Kingsport	a. \$7,604
b. Funds passed through any other entity	b. \$0
Funds received directly from the federal government	\$
Non-federal funds received directly from the City of Kingsport	\$

Auditor's Name: _____

Auditor's address: _____

Auditor's phone number: _____

Auditor's email: _____

ATTACHMENT F

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Operating Agency should submit only one, completed "Parent Child Information" document to the City during the Operating Agency's fiscal year if the Operating Agency indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Operating Agency's Edison Vendor ID number: _____

Is _____ a parent? Yes ☐ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is _____ a child? Yes ☐ No ☐

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

**GRANT CONTRACT
BETWEEN THE CITY OF KINGSPORT, TENNESSEE
AND
SONS AND DAUGHTERS OF DOUGLASS, Inc.**

This Grant Contract, by and between the City of Kingsport, hereinafter referred to as the "City" and Sons and Daughters of Douglass, Inc., hereinafter referred to as the "Operating Agency", is for the provision of services to the homeless and those at risk for homelessness under the Community Development Block Grant Program ("CDBG"), as further described under "Scope of Services and Deliverables" (the "SCOPE OF SERVICES").

Operating Agency's address 301 Louis Street, Kingsport, TN

Operating Agency's Edison Vendor ID # 26-2297598

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Operating Agency shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant contract.
- A.2. To provide and operate public service activities to low and moderate income individuals and families within the city limits of Kingsport as specified in ATTACHMENT A: DESCRIPTION OF ACTIVITIES, ATTACHMENT B: IMPLEMENTATION PLAN, AND ATTACHMENT C: BUDGET.
- A.3. Incorporation of Additional Documents. Each of the following documents is included as part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Operating Agency's duties, responsibilities, and performance hereunder, these terms shall govern or order of precedence below:
 - a. Title 24 Code of Federal Regulations, Part 570 and Part 91, of the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 (42 USC 5301 et.seq.), as amended (the "Federal CDBG Regulations").
 - b. The United States Department of Housing and Urban Development CDBG Desk Guide for Program and Eligibility Policies and Procedures.
- A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as ATTACHMENT D, is incorporated in this Grant Contract.
- A.5. To comply with the Eligible Activity Requirements of 24 CFR 570, Subpart C, and Part 91 as applicable in accordance with the type of project assisted.
- A.6. To maintain records adequate to document compliance with 24 CFR 570, along with such other records the City and HUD determines necessary to enable the City and HUD to fulfill its responsibilities in the CDBG Program. All records will be retained for a three (3) year period in accordance with the requirements of 24 CFR Part 570.
- A.7. To furnish to the City all reports required to be filed in accordance with any directives of the City and within the time period prescribed by the City for such reports.

B. TERM OF GRANT CONTRACT:

- B.1. Grant Term. This Grant Contract shall be effective on July 1, 2017 ("Effective Date") and extend for a period of twelve (12) months after the Effective Date to June 30, 2018 ("Term"). The City shall have no obligation for goods or services provided by the Operating Agency prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the City under this Grant Contract exceed One Thousand, Two Hundred, Fifty-one DOLLARS (\$1,251.00) ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment C, shall constitute the maximum amount due the Operating Agency under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Operating Agency.

- C.2. Compensation Firm. The Maximum Liability of the City is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

- C.3. Payment Methodology. The Operating Agency shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Operating Agency shall submit invoices, in form and substance acceptable to the City, with all necessary supporting documentation, prior to any reimbursement of allowable costs.

- C.4. Travel Compensation. Reimbursement to the Operating Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "City Comprehensive Travel Regulations", as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

- C.5. Invoice Requirements. The Operating Agency shall invoice the City based on an approved payment schedule, using the forms and all necessary supporting documentation specified by the HUD CDBG Requirements, and present such to:

City of Kingsport.
Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Attention: Mark Haga

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line item amount(s) detailed. Any change in Grant Budget line items shall require an amendment to the Grant Contract.

- C.7. Disbursement Reconciliation and Close Out. The Operating Agency shall submit any final invoice and a grant disbursement reconciliation report within forty-five (45) days of the Grant Contract end date, in form and substance acceptable to the City.

- a. If total disbursements by the City pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Operating Agency shall refund the difference to the City. The Operating Agency shall submit said refund with the final grant disbursement reconciliation report.

- b. The City shall not be responsible for the payment of any invoice submitted to the City after the grant disbursement reconciliation report. The City will not deem any Operating Agency costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the City, and such invoices will NOT be paid.
 - c. The Operating Agency's failure to provide a final grant disbursement reconciliation report to the City as required shall result in the Operating Agency being deemed ineligible for reimbursement under this Grant Contract, and the Operating Agency shall be required to refund any and all payments by the city pursuant to this Grant Contract.
 - d. The Operating Agency must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Operating Agency request reimbursement for indirect costs, the Operating Agency must submit to the City a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Operating Agency will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Operating Agency makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Operating Agency agrees to remit any overpayment of funds to the City, and subject to the availability of funds the City agrees to remit any underpayment to the Operating Agency.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of City of Kingsport Departments of Finance and Administration Policies or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the City shall not prejudice the City's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the City shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Operating Agency shall be subject to reduction for amounts included in any invoice or payment that are determined by the City, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.
- C.12. City's Right to Set Off. The City reserves the right to deduct from amounts that are or shall become due and payable to the Operating Agency under this Grant Contract or any other contract between the Operating Agency and the City of Kingsport under which the Operating Agency has a right to receive payment from the City.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The City is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Kingsport and Tennessee laws and regulations.

- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Kingsport and Tennessee laws and regulations.
- D.3. Termination for Convenience. The City may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of the Grant Contract by the City. The City shall give the Operating Agency at least thirty (30) days written notice before the effective termination date. The Operating Agency shall be entitled to compensation for authorized expenditures and satisfactory services, in compliance with Federal CDBG Regulations, completed as of the termination date, but in no event shall the City be liable to the Operating Agency for compensation for any service that has not been rendered. The final decision as to the amount for which the City is liable shall be determined by the City. The Operating Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the City's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Operating Agency fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Operating Agency violates any terms of this Grant Contract ("Breach Condition"), the City shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Operating Agency shall not be relieved of liability to the City for damages sustained by virtue of any Breach Condition and the City may seek other remedies allowed at law or in equity for breach of this Grant Contract. Upon such termination, the Operating Agency shall have no claim to any CDBG funds remaining under this Grant Contract.
- D.5. Subcontracting. The Operating Agency shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the City. If such subcontracts are approved by the City, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest", "Lobbying", "Nondiscrimination", "Public Accountability", "Public Notice", and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Operating Agency shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Operating Agency warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the City of Kingsport as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Operating Agency in connection with any work contemplated or performed relative to this Grant Contract.

The Operating Agency acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Operating Agency is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development or if the Operating Agency is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development.

- D.7. Lobbying. The Operating Agency certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the

awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Operating Agency shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- D.8 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The City:

Mark A. Haga
City of Kingsport Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Telephone 423-229-9486
Email markhaga@kingsporttn.gov
Email pagejeffers@kingsporttn.gov

The Operating Agency:

Sons and Daughters of Douglass, Inc.
301 Louis Street, Suite 104
Kingsport, TN 37660
Telephone 423-288-6040
Email

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the City reserves the right to terminate this Grant Contract upon written notice to the Operating Agency. The City's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the City. Upon receipt of the written notice, the Operating Agency shall cease all work associated with the Grant Contract. Should such an event occur, the Operating Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Operating Agency shall have no right to recover from the City any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.10. Nondiscrimination. The Operating Agency agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Operating Agency on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Operating Agency shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. The City and the Operating Agency shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of the Grant Contract.
- a. The Operating Agency warrants to the City that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Grant Contract.
 - b. The Operating Agency warrants that it will cooperate with the City, including cooperation and coordination with City privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The City and the Operating Agency will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the City and the Operating Agency in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
 - d. The Operating Agency will indemnify the City and hold it harmless for any violation by the Operating Agency or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the City because of the violation.
- D.12. Public Accountability. If the Operating Agency is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Operating Agency on behalf of the City, the Operating Agency agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Operating Agency shall also display in a prominent place, located near the passageway through which public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") inches in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL FREE HOTLINE: 1-800-232-5454

The sign shall be on the form prescribed by the City. The City shall obtain copies of the sign from HUD, and upon request from the Operating Agency, provide Operating Agency with any necessary signs.

- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Operating Agency in relation to this Grant Contract shall include the statement, "This project is funded under an agreement with the City of Kingsport and the U.S. Department of Housing and Urban Development." All notices by the Operating Agency in relation to this Grant Contract shall be approved by the City.
- D.14. Licensure. The Operating Agency and its employees and all sub-Operating Agencies shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Operating Agency and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Operating Agency and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Operating Agency shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Operating Agency shall establish a system of internal controls that utilize the COSO Internal Control – Integrated Framework model as the basic foundation for the internal control system. The Operating Agency shall incorporate any additional Tennessee Comptroller of the Treasury directives into its internal control system.

- D.16. Monitoring. The Operating Agency's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.
- D.17. Progress Reports. The Operating Agency shall submit brief, periodic, progress reports to the City as requested.
- D.18. Reports. The Operating Agency shall submit all reports with form, substance and deadlines as specified in the Federal CDBG Regulations. The Operating Agency shall submit, within one (1) month of the conclusion of the Term, a CDBG annual report to the City.
- D.19. Audit Reports. For purpose of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Operating Agency shall provide audited financial statements to the City of Kingsport if during the Operating Agency's fiscal year, the Operating Agency (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the City is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Operating Agency shall complete ATTACHMENT E: NOTICE OF AUDIT to notify the City whether or not Operating Agency is subject to an audit. The Operating Agency should submit only one, completed document during the Operating Agency's fiscal year. Any Operating Agency that is subject to an audit and so indicates on Attachment E shall complete ATTACHMENT F: PARENT CHILD INFORMATION. If the Operating Agency is subject to an audit, Operating Agency shall obtain the Tennessee Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Operating Agency may contact the Tennessee Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Operating Agency and the Auditor shall be on a contract form prescribed by the Comptroller. The Operating Agency shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Operating Agency shall be subject to the provision relating to such fees contained within the Grant Contract. The Operating Agency shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

- D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Operating Agency shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Operating Agency is a subrecipient, the Operating Agency shall comply with 2 C.F.R. §§ 200.318-300.326 when procuring property and services under a federal award.

The Operating Agency shall obtain prior approval from the City before purchasing any equipment under this Grant Contract.

- D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties

acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Operating Agency, being an independent contractor and not an employee of the City, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Operating Agency's employees, and to pay all applicable taxes incident to this Grant Contract.

D.23. City Liability. The City shall have no liability except as specifically provided in this Grant Contract.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaroud plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Operating Agency's representatives, suppliers, subcontractors, customers or business apart from the Grant Contract is not a Force Majeure Event under this Grant Contract. Operating Agency will promptly notify the City of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the City within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Operating Agency's performance longer than forty-eight (48) hours, the City may, upon notice to Operating Agency: (a) cease payment of the fees until Operating Agency resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Operating Agency will not increase its charges under this Grant Contract or charge the City any fees other than those provided for in the Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Operating Agency shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26. Reserved.

D.27. City Interest in Equipment or Motor Vehicles. The Operating Agency shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant contract, subject to the City's, equitable interest therein, to the extent of its *pro rata* share, based upon, the City's, contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition costs which equals or

exceeds five thousand dollars (\$5,000). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant contract to create a security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this Grant contract. A further intent of this Grant contract is to acknowledge and continue the security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this program's prior year Grant contracts between the City, and the Operating Agency.

The Operating Agency grants the City a security interest in all equipment or motor vehicles acquired in whole or in part by the Operating Agency under this Grant contract. This Grant contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Operating Agency hereby grants the City a security interest in said equipment or motor vehicles. The Operating Agency agrees that the City may file this Grant contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Operating Agency agrees to execute and deliver to the City, upon the City's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant contract in such form as the City may require to perfect a security interest with respect to said equipment or motor vehicles. The Operating Agency shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the City may reasonably require. Without the prior written consent of the City, the Operating Agency shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Operating Agency's breach of any covenant or agreement contained in this Grant contract, including the covenants to pay when due all sums secured by this Grant contract. The City shall have the remedies of a secured party under the Uniform Commercial Code and, at the City's option, may also invoke the remedies herein provided.

The Operating Agency agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant contract. The Operating Agency shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;

- g. Location within the Operating Agency's operations where the equipment or motor vehicles is used;
 - h. Condition of the property or disposition date if Operating Agency no longer has possession;
 - i. Depreciation method, if applicable; and
 - j. Monthly depreciation amount, if applicable.
 - k. The Operating Agency shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Operating Agency shall inventory equipment or motor vehicles annually. The Operating Agency must compare the results of the inventory with the inventory control report and investigate any differences. The Operating Agency must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.
 - l. The Operating Agency shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant contract within thirty (30) days of its end date and in form and substance acceptable to the City. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Operating Agency shall notify the City, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Operating Agency shall be responsible to the City for the *pro rata* amount of the residual value at the time of loss based upon the City's original contribution to the purchase price.
 - m. Upon termination of the Grant contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant contract, the Operating Agency shall request written approval from the City for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.
- D.28. City, State and Federal Compliance. The Operating Agency shall comply with all applicable city, state, and federal laws, ordinances, rules and regulations in performance of this Grant Contract.
- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Operating Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Operating Agency acknowledges and agrees that any rights or claims against the City of Kingsport or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. § 29-20-101 *et seq.* and the sovereign immunity the city has through the State of Tennessee.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall control.
- E.2. Debarment and Suspension. The Operating Agency certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. Have not within a three (3) year period preceding this the date of this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. Have not within a three (3) year period preceding the date of this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Operating Agency shall provide immediate written notice to the City if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- E.3. Work Papers Subject to Review. The Operating Agency shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the City, the U. S. Department of Housing and Urban Development, or their respective representatives upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.
- E.4. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Children's Act for Clean Indoor Air of 1995", Tenn. Code Ann. §§ 39-17-1601 through 1606, the Operating Agency shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Operating Agency shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all

hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be a part of any subcontract related to this Grant Contract.

- E.5. Hold Harmless. To the extent permitted by State law, the Operating Agency agrees to indemnify and hold harmless the City of Kingsport, the U. S. Department of Housing and Urban Development, as well as its officers, agents and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operating Agency, its employees, or any person acting for or on its or their behalf relating to this Grant Contract. The Operating Agency further agrees it shall be liable for the reasonable cost of attorneys and court costs for the City, the U. S. Department of Housing and Urban Development to enforce the terms of this Grant Contract.

In the event of any such suit or claim, the parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the City, the U. S. Department of Housing and Urban Development to give notice shall only relieve the Operating Agency of its obligations under this Section to the extent that the Operating Agency can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Operating Agency, through its attorney(s), the right to represent the City of Kingsport, the U. S. Department of Housing and Urban Development in any legal matter, as the right to represent the City and the State is governed by Tenn. Code Ann. § 8-6-106.

- E.6. Federal Funding Accountability and Transparency Act ("FFATA"). This Grant requires the Operating Agency to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Operating Agency is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Operating Agency provides information to the City as required. The Operating Agency shall comply with the following:

a. Reporting of Total Compensation of the Operating Agency's Executives.

- (1) The Operating Agency shall report the names and total compensation of each of its five (5) most highly compensated executives for the Operating Agency's preceding completed fiscal year, if in the Operating Agency's preceding fiscal year it received:
 - i. 80 percent or more of the Operating Agency's annual gross revenues from federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and sub awards); and
 - ii. \$25,000,000 or more in annual gross annual revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports files under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 CFR § 170.315. "Executive" means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Operating Agency's preceding fiscal year and includes the following (for information see 17 § CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings or deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites of property) for the executive exceeds \$10,000.
- b. The Operating Agency must report executive total compensation described above to the City by the end of the month during which this Grant Contract is fully executed.
- c. If this Grant Contract is amended to extend the Term, the Operating Agency must submit an executive total compensation report to the City by the end of the month in which the amendment to this Grant Contract becomes effective.
- d. The Operating Agency will obtain a Data Universal Numbering System ("DUNS") number and maintain its DUNS number for the terms of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

The Operating Agency's failure to comply with the above requirements is a material breach of this Grant Contract for which the City may terminate this Grant Contract for cause. The City will not be obligated to pay any outstanding invoice received from the Operating Agency unless and until the Operating Agency is in full compliance with the above requirements.

- E.7. Training. The Operating Agency agrees to attend all training sessions regarding management of the CDBG Program which are scheduled by the City and HUD.
- E.8. CDBG Program Requirements. Under this Grant Contract, Operating Agency is receiving an allocation or grant of Community Development Block Grant Program funds. The Operating Agency understands these funds are made available through the U.S. Department of Housing and Urban Development (HUD) and to facilitate the receipt of these funds the Operating Agency agrees and certifies to comply with all applicable HUD

requirements. Without limitations, Operating Agency specifically agrees and certifies as to the following:

- a. The Operating Agency will abide with all of the requirements of 24 CFR, Part 570 and Part 91, Community Development Block Grant Program.
 - b. The Operating Agency will comply with other applicable Federal requirements in 24 CFR, Part 570 and Part 91, as follows:
 - 1. 24 CFR 5.105(a). Section 3 Nondiscrimination and Equal Opportunity;
 - 2. 24 CFR 570 Subpart A, General Provisions;
 - 3. 24 CFR 570 Subpart C, Eligible Activities;
 - 4. 24 CFR 570 Subpart J, Grant Administration;
 - 5. 24 CFR 570 Subpart K, Other Program Requirements;
 - 6. 24 CFR 570 Subpart O, Performance Reviews;
 - 7. Title VI and Executive Order 13166 Affirmative Outreach
 - c. If the Operating Agency is primarily a religious organization, it agrees to use its funds to provide all eligible activities under this program in a manner that is free from religious influences as provided by 24 CFR 576.406.
 - d. The Operating Agency will comply with the uniform administrative requirements of 24 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, and the requirements of 24 CFR 576.407.
 - e. The Operating Agency will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR, Part 24 and the requirements of 24 CFR 576.59.
 - f. The Operating Agency will comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992, implementing regulations at 24 CFR, Part 35, Subparts A, B, H, J, K, and M as applicable.
 - g. The Operating Agency will use CDBG funds pursuant to its or the City's Consolidated Plan approved by HUD and all requirements of 24 CFR, Part 570 and Part 91.
 - h. The Operating Agency will maintain adequate documentation to determine eligibility of persons served by the CDBG program.
 - i. The Operating Agency will develop and implement procedures to ensure the confidentiality of records pertaining to any individual fleeing domestic violence situations. In addition the address and location of family violence shelter facilities receiving ESG funding may not be publicly disclosed except with the written authorization of the person(s) responsible for the shelter facility's operation.
- E.9. Drug Free Workplace. The Operating Agency will or will continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the action that will be taken against employees for violation of such prohibition;
- b. Establishing an ongoing drug-free awareness program to inform employees about:
 1. The dangers of drug abuse in the workplace;
 2. The Operating Agency's policy of maintaining a drug-free workplace;
 3. Any drug counseling, rehabilitation and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c. Making it a requirement that each employee to be engaged in the performance of this Grant Contract be given a copy of the statement required by Paragraph E.10.(a);
- d. Notifying the employee in the statement required by Paragraph E.10(a) that, as a condition of employment under this Grant Contract, the employee will:
 1. Abide by the terms of the statement; and
 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- e. Notifying the City in writing, within ten calendar days after receiving notice under Paragraph E.10(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- f. Taking one of the following actions, within thirty calendar days of receiving notice under Paragraph E.10(d)(2), with respect to any employee who is so convicted:
 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs E.10 (a), (b), (c), (d), (e) and (f).

E.10. Corrective Action. If the City takes any corrective or remedial action as outlined in 24 CFR § 570.910 that is the result of any action taken by the Operating Agency, the

Operating Agency will take any action required by the City to prevent a continuation of the deficiency, mitigate to the extent possible its adverse effects or consequences, and prevent its recurrence. These remedies could, among other actions, include repaying CDBG funds to the City.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

John Clark, Mayor

Date

ATTEST:

James H. Demming, City Recorder

Date

SONS AND DAUGHTERS OF DOUGLASS, Inc.

Wallace Ross, President

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date

ATTACHMENT A

2017 CDBG PROGRAM DESCRIPTION OF OPERATING AGENCY ACTIVITIES

OPERATING AGENCY: Sons and Daughters of Douglass, Inc.

I. The activities for the 2017 CDBG Project shall consist of the following:

A. Purpose of Project.

Sons and Daughters will provide Advocacy and Education Services for low and moderate income, minority children in the school system of the City. The goal of the project is to encourage low/mod income and minority students to excel in basic education and to better equip them for success. These funds will enable this program to provide material support necessary provide advocacy and education services.

B. Method of Operation.

The program will be available to residents of Kingsport, consisting primarily of low and very low-income, minority persons. The program will be administered by Sons and Daughters and will provide funding to purchase school supplies and other educational materials for eligible students in the City's education system.

ATTACHMENT B

2017 CDBG Program IMPLEMENTATION PLAN FOR CDBG PROJECTS

OPERATING AGENCY: Sons and Daughters of Douglass, Inc.

I. The time table for completing the activities for the project shall be:

- | | | |
|----|--|---------------|
| 1. | Determination of status for Environmental Review | July 1, 2017 |
| 2. | Release of Funds | July 1, 2017 |
| 3. | Begin providing services to homeless | July 1, 2017 |
| 4. | Contract complete | June 30, 2018 |

ATTACHMENT C

2017 CDBG PROGRAM

PROJECT BUDGET

OPERATING AGENCY: Sons and Daughters of Douglass, Inc.

CDBG funds will be used as follows:

Supplies	\$1,251
TOTAL FOR GRANT	\$1,251

ATTACHMENT D

Federal Award Identification Worksheet

Operating Agency's name (must match registered name in DUNS)	Sons and Daughters of Douglass, Inc.
Operating Agency's DUNS number	
Federal Award Identification Number (FAIN)	B-17-MC-47-0004
Federal award date	July 1, 2017
CFDA number and name	14.218 Community Development Grant Program
Grant contract's begin date	July 1, 2017
Grant contract's end ate	June 30, 2018
Amount of federal funds obligated by this grant contract	\$1,251
Total amount of federal funds obligated to the Operating Agency	\$1,251
Total amount of the federal award to the City of Kingsport	\$354,288
Name of federal awarding agency	U.S. Department of Housing and Urban Development
Name and contact information for the federal awarding official	Mary C. Wilson, Director Community Planning and Development U.S. Department of Housing and Urban Development Knoxville Field Office 710 Locust Street, Third Floor Knoxville, TN 37902-2526
Is the federal award for research and development?	No
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	To be determined by cost allocation plan approved by Operating Agency's cognizant agency

ATTACHMENT E

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. **The Operating Agency should submit only one, completed "Notice of Audit Report" document to the City during the Operating Agency's fiscal year.**

- ☐ _____ is subject to an audit for fiscal year 2017.
- ☐ _____ is not subject to an audit for fiscal year 2017.

Any Operating Agency that is subject to an audit must complete the information below.

Operating Agency's Edison Vendor ID Number: _____

Type of funds expended	Estimated amount of funds expended by end of Operating Agency's fiscal year
Federal pass-through funds	
a. Funds passed through the City of Kingsport	a. \$1,251
b. Funds passed through any other entity	b. \$0
Funds received directly from the federal government	\$
Non-federal funds received directly from the City of Kingsport	\$

Auditor's Name: _____

Auditor's address: _____

Auditor's phone number: _____

Auditor's email: _____

ATTACHMENT F

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Operating Agency should submit only one, completed "Parent Child Information" document to the City during the Operating Agency's fiscal year if the Operating Agency indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Operating Agency's Edison Vendor ID number: _____

Is _____ a parent? Yes ☐ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is _____ a child? Yes ☐ No ☐

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

**GRANT CONTRACT
BETWEEN THE CITY OF KINGSFORT, TENNESSEE
AND
HELP OUR POTENTIAL EVOLVE, Inc.**

This Grant Contract, by and between the City of Kingsport, hereinafter referred to as the "City" and Help Out Potential Evolve, Inc., hereinafter referred to as the "Operating Agency", is for the provision of services to the homeless and those at risk for homelessness under the Community Development Block Grant Program ("CDBG"), as further described under "Scope of Services and Deliverables" (the "SCOPE OF SERVICES").

Operating Agency's address 1201 N. Wilcox Dr., Kingsport, TN
Operating Agency's Edison Vendor ID # 46-1500067

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Operating Agency shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant contract.
- A.2. To provide and operate public service activities to low and moderate income individuals and families within the city limits of Kingsport as specified in ATTACHMENT A: DESCRIPTION OF ACTIVITIES, ATTACHMENT B: IMPLEMENTATION PLAN, AND ATTACHMENT C: BUDGET.
- A.3. Incorporation of Additional Documents. Each of the following documents is included as part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Operating Agency's duties, responsibilities, and performance hereunder, these terms shall govern or order of precedence below:
- a. Title 24 Code of Federal Regulations, Part 570 and Part 91, of the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 (42 USC 5301 et.seq.), as amended (the "Federal CDBG Regulations").
 - b. The United States Department of Housing and Urban Development CDBG Desk Guide for Program and Eligibility Policies and Procedures.
- A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as ATTACHMENT D, is incorporated in this Grant Contract.
- A.5. To comply with the Eligible Activity Requirements of 24 CFR 570, Subpart C, and Part 91 as applicable in accordance with the type of project assisted.
- A.6. To maintain records adequate to document compliance with 24 CFR 570, along with such other records the City and HUD determines necessary to enable the City and HUD to fulfill its responsibilities in the CDBG Program. All records will be retained for a three (3) year period in accordance with the requirements of 24 CFR Part 570.
- A.7. To furnish to the City all reports required to be filed in accordance with any directives of the City and within the time period prescribed by the City for such reports.

B. TERM OF GRANT CONTRACT:

- B.1. Grant Term. This Grant Contract shall be effective on July 1, 2017 ("Effective Date") and extend for a period of twelve (12) months after the Effective Date to June 30, 2018 ("Term"). The City shall have no obligation for goods or services provided by the Operating Agency prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the City under this Grant Contract exceed Five Thousand, Three DOLLARS (\$5,003.00) ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment C, shall constitute the maximum amount due the Operating Agency under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Operating Agency.

- C.2. Compensation Firm. The Maximum Liability of the City is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

- C.3. Payment Methodology. The Operating Agency shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Operating Agency shall submit invoices, in form and substance acceptable to the City, with all necessary supporting documentation, prior to any reimbursement of allowable costs.

- C.4. Travel Compensation. Reimbursement to the Operating Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "City Comprehensive Travel Regulations", as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

- C.5. Invoice Requirements. The Operating Agency shall invoice the City based on an approved payment schedule, using the forms and all necessary supporting documentation specified by the HUD CDBG Requirements, and present such to:

City of Kingsport
Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Attention: Mark Haga

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line item amount(s) detailed. Any change in Grant Budget line items shall require an amendment to the Grant Contract.

- C.7. Disbursement Reconciliation and Close Out. The Operating Agency shall submit any final invoice and a grant disbursement reconciliation report within forty-five (45) days of the Grant Contract end date, in form and substance acceptable to the City.

- a. If total disbursements by the City pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Operating Agency shall refund the difference to the City. The Operating Agency shall submit said refund with the final grant disbursement reconciliation report.

- b. The City shall not be responsible for the payment of any invoice submitted to the City after the grant disbursement reconciliation report. The City will not deem any Operating Agency costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the City, and such invoices will NOT be paid.
 - c. The Operating Agency's failure to provide a final grant disbursement reconciliation report to the City as required shall result in the Operating Agency being deemed ineligible for reimbursement under this Grant Contract, and the Operating Agency shall be required to refund any and all payments by the city pursuant to this Grant Contract.
 - d. The Operating Agency must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Operating Agency request reimbursement for indirect costs, the Operating Agency must submit to the City a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Operating Agency will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Operating Agency makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Operating Agency agrees to remit any overpayment of funds to the City, and subject to the availability of funds the City agrees to remit any underpayment to the Operating Agency.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of City of Kingsport Departments of Finance and Administration Policies or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the City shall not prejudice the City's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the City shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Operating Agency shall be subject to reduction for amounts included in any invoice or payment that are determined by the City, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.
- C.12. City's Right to Set Off. The City reserves the right to deduct from amounts that are or shall become due and payable to the Operating Agency under this Grant Contract or any other contract between the Operating Agency and the City of Kingsport under which the Operating Agency has a right to receive payment from the City.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The City is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Kingsport and Tennessee laws and regulations.

- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Kingsport and Tennessee laws and regulations.
- D.3. Termination for Convenience. The City may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of the Grant Contract by the City. The City shall give the Operating Agency at least thirty (30) days written notice before the effective termination date. The Operating Agency shall be entitled to compensation for authorized expenditures and satisfactory services, in compliance with Federal CDBG Regulations, completed as of the termination date, but in no event shall the City be liable to the Operating Agency for compensation for any service that has not been rendered. The final decision as to the amount for which the City is liable shall be determined by the City. The Operating Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the City's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Operating Agency fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Operating Agency violates any terms of this Grant Contract ("Breach Condition"), the City shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Operating Agency shall not be relieved of liability to the City for damages sustained by virtue of any Breach Condition and the City may seek other remedies allowed at law or in equity for breach of this Grant Contract. Upon such termination, the Operating Agency shall have no claim to any CDBG funds remaining under this Grant Contract.
- D.5. Subcontracting. The Operating Agency shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the City. If such subcontracts are approved by the City, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest", "Lobbying", "Nondiscrimination", "Public Accountability", "Public Notice", and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Operating Agency shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Operating Agency warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the City of Kingsport as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Operating Agency in connection with any work contemplated or performed relative to this Grant Contract.

The Operating Agency acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Operating Agency is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development or if the Operating Agency is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development.

- D.7. Lobbying. The Operating Agency certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of

any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Operating Agency shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- D.8 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The City:

Mark A. Haga
City of Kingsport Office of Housing and Community Development
201 W. Market Street, Kingsport, Tennessee 37660
Telephone 423-229-9486
Email markhaga@kingsporttn.gov
Email pagejeffers@kingsporttn.gov

The Operating Agency:

Help Our Potential Evolve, Inc.
1201 N. Wilcox Dr., Suite B
Kingsport, TN 37660
Telephone 423-276-6541
Email

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the City reserves the right to terminate this Grant Contract upon written notice to the Operating Agency. The City's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the City. Upon receipt of the written notice, the Operating Agency shall cease all work associated with the Grant Contract. Should such an event occur, the Operating Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Operating Agency shall have no right to recover from the City any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Operating Agency agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Operating Agency on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Operating Agency shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.11. HIPAA Compliance. The City and the Operating Agency shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of the Grant Contract.

- a. The Operating Agency warrants to the City that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Grant Contract.
- b. The Operating Agency warrants that it will cooperate with the City, including cooperation and coordination with City privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
- c. The City and the Operating Agency will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the City and the Operating Agency in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
- d. The Operating Agency will indemnify the City and hold it harmless for any violation by the Operating Agency or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the City because of the violation.

D.12. Public Accountability. If the Operating Agency is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Operating Agency on behalf of the City, the Operating Agency agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Operating Agency shall also display in a prominent place, located near the passageway through which public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") inches in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL FREE HOTLINE: 1-800-232-5454

The sign shall be on the form prescribed by the City. The City shall obtain copies of the sign from HUD, and upon request from the Operating Agency, provide Operating Agency with any necessary signs.

- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Operating Agency in relation to this Grant Contract shall include the statement, "This project is funded under an agreement with the City of Kingsport and the U.S. Department of Housing and Urban Development." All notices by the Operating Agency in relation to this Grant Contract shall be approved by the City.
- D.14. Licensure. The Operating Agency and its employees and all sub-Operating Agencies shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Operating Agency and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Operating Agency and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Operating Agency shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Operating Agency shall establish a system of internal controls that utilize the COSO Internal Control – Integrated Framework model as the basic foundation for the internal control system. The Operating Agency shall incorporate any additional Tennessee Comptroller of the Treasury directives into its internal control system.

- D.16. Monitoring. The Operating Agency's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.
- D.17. Progress Reports. The Operating Agency shall submit brief, periodic, progress reports to the City as requested.
- D.18. Reports. The Operating Agency shall submit all reports with form, substance and deadlines as specified in the Federal CDBG Regulations. The Operating Agency shall submit, within one (1) month of the conclusion of the Term, a CDBG annual report to the City.
- D.19. Audit Reports. For purpose of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Operating Agency shall provide audited financial statements to the City of Kingsport if during the Operating Agency's fiscal year, the Operating Agency (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the City is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Operating Agency shall complete ATTACHMENT E: NOTICE OF AUDIT to notify the City whether or not Operating Agency is subject to an audit. The Operating Agency should submit only one, completed document during the Operating Agency's fiscal year. Any Operating Agency that is subject to an audit and so indicates on Attachment E shall complete ATTACHMENT F: PARENT CHILD INFORMATION. If the Operating Agency is subject to an audit, Operating Agency shall obtain the Tennessee Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Operating Agency may contact the Tennessee Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Operating Agency and the Auditor shall be on a contract form prescribed by the Comptroller. The Operating Agency shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Operating Agency shall be subject to the provision relating to such fees contained within the Grant Contract. The Operating Agency shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

- D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Operating Agency shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Operating Agency is a subrecipient, the Operating Agency shall comply with 2 C.F.R. §§ 200.318-300.326 when procuring property and services under a federal award.

The Operating Agency shall obtain prior approval from the City before purchasing any equipment under this Grant Contract.

- D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties

acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Operating Agency, being an independent contractor and not an employee of the City, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Operating Agency's employees, and to pay all applicable taxes incident to this Grant Contract.

D.23. City Liability. The City shall have no liability except as specifically provided in this Grant Contract.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Operating Agency's representatives, suppliers, subcontractors, customers or business apart from the Grant Contract is not a Force Majeure Event under this Grant Contract. Operating Agency will promptly notify the City of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the City within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Operating Agency's performance longer than forty-eight (48) hours, the City may, upon notice to Operating Agency: (a) cease payment of the fees until Operating Agency resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Operating Agency will not increase its charges under this Grant Contract or charge the City any fees other than those provided for in the Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Operating Agency shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26. Reserved.

D.27. City Interest in Equipment or Motor Vehicles. The Operating Agency shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant contract, subject to the City's, equitable interest therein, to the extent of its *pro rata* share, based upon, the City's, contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition costs which equals or

exceeds five thousand dollars (\$5,000). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant contract to create a security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this Grant contract. A further intent of this Grant contract is to acknowledge and continue the security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this program's prior year Grant contracts between the City, and the Operating Agency.

The Operating Agency grants the City a security interest in all equipment or motor vehicles acquired in whole or in part by the Operating Agency under this Grant contract. This Grant contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Operating Agency hereby grants the City a security interest in said equipment or motor vehicles. The Operating Agency agrees that the City may file this Grant contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Operating Agency agrees to execute and deliver to the City, upon the City's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant contract in such form as the City may require to perfect a security interest with respect to said equipment or motor vehicles. The Operating Agency shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the City may reasonably require. Without the prior written consent of the City, the Operating Agency shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Operating Agency's breach of any covenant or agreement contained in this Grant contract, including the covenants to pay when due all sums secured by this Grant contract. The City shall have the remedies of a secured party under the Uniform Commercial Code and, at the City's option, may also invoke the remedies herein provided.

The Operating Agency agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant contract. The Operating Agency shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;

- g. Location within the Operating Agency's operations where the equipment or motor vehicles is used;
 - h. Condition of the property or disposition date if Operating Agency no longer has possession;
 - i. Depreciation method, if applicable; and
 - j. Monthly depreciation amount, if applicable.
 - k. The Operating Agency shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Operating Agency shall inventory equipment or motor vehicles annually. The Operating Agency must compare the results of the inventory with the inventory control report and investigate any differences. The Operating Agency must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.
 - l. The Operating Agency shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant contract within thirty (30) days of its end date and in form and substance acceptable to the City. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Operating Agency shall notify the City, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Operating Agency shall be responsible to the City for the *pro rata* amount of the residual value at the time of loss based upon the City's original contribution to the purchase price.
 - m. Upon termination of the Grant contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant contract, the Operating Agency shall request written approval from the City for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.
- D.28. City, State and Federal Compliance. The Operating Agency shall comply with all applicable city, state, and federal laws, ordinances, rules and regulations in performance of this Grant Contract.
- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Operating Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Operating Agency acknowledges and agrees that any rights or claims against the City of Kingsport or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. § 29-20-101 *et seq.* and the sovereign immunity the city has through the State of Tennessee.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall control.
- E.2. Debarment and Suspension. The Operating Agency certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. Have not within a three (3) year period preceding this the date of this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. Have not within a three (3) year period preceding the date of this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Operating Agency shall provide immediate written notice to the City if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- E.3. Work Papers Subject to Review. The Operating Agency shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the City, the U. S. Department of Housing and Urban Development, or their respective representatives upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.
- E.4. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Children's Act for Clean Indoor Air of 1995", Tenn. Code Ann. §§ 39-17-1601 through 1606, the Operating Agency shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Operating Agency shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all

hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be a part of any subcontract related to this Grant Contract.

- E.5. Hold Harmless. To the extent permitted by State law, the Operating Agency agrees to indemnify and hold harmless the City of Kingsport, the U. S. Department of Housing and Urban Development, as well as its officers, agents and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operating Agency, its employees, or any person acting for or on its or their behalf relating to this Grant Contract. The Operating Agency further agrees it shall be liable for the reasonable cost of attorneys and court costs for the City, the U. S. Department of Housing and Urban Development to enforce the terms of this Grant Contract.

In the event of any such suit or claim, the parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the City, the U. S. Department of Housing and Urban Development to give notice shall only relieve the Operating Agency of its obligations under this Section to the extent that the Operating Agency can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Operating Agency, through its attorney(s), the right to represent the City of Kingsport, the U. S. Department of Housing and Urban Development in any legal matter, as the right to represent the City and the State is governed by Tenn. Code Ann. § 8-6-106.

- E.6. Federal Funding Accountability and Transparency Act ("FFATA"). This Grant requires the Operating Agency to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Operating Agency is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Operating Agency provides information to the City as required. The Operating Agency shall comply with the following:

a. Reporting of Total Compensation of the Operating Agency's Executives.

- (1) The Operating Agency shall report the names and total compensation of each of its five (5) most highly compensated executives for the Operating Agency's preceding completed fiscal year, if in the Operating Agency's preceding fiscal year it received:
 - i. 80 percent or more of the Operating Agency's annual gross revenues from federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and sub awards); and
 - ii. \$25,000,000 or more in annual gross annual revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports files under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 CFR § 170.315. "Executive" means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Operating Agency's preceding fiscal year and includes the following (for information see 17 § CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings or deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites of property) for the executive exceeds \$10,000.
- b. The Operating Agency must report executive total compensation described above to the City by the end of the month during which this Grant Contract is fully executed.
- c. If this Grant Contract is amended to extend the Term, the Operating Agency must submit an executive total compensation report to the City by the end of the month in which the amendment to this Grant Contract becomes effective.
- d. The Operating Agency will obtain a Data Universal Numbering System ("DUNS") number and maintain its DUNS number for the terms of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

The Operating Agency's failure to comply with the above requirements is a material breach of this Grant Contract for which the City may terminate this Grant Contract for cause. The City will not be obligated to pay any outstanding invoice received from the Operating Agency unless and until the Operating Agency is in full compliance with the above requirements.

- E.7. Training. The Operating Agency agrees to attend all training sessions regarding management of the CDBG Program which are scheduled by the City and HUD.
- E.8. CDBG Program Requirements. Under this Grant Contract, Operating Agency is receiving an allocation or grant of Community Development Block Grant Program funds. The Operating Agency understands these funds are made available through the U.S. Department of Housing and Urban Development (HUD) and to facilitate the receipt of these funds the Operating Agency agrees and certifies to comply with all applicable HUD

requirements. Without limitations, Operating Agency specifically agrees and certifies as to the following:

- a. The Operating Agency will abide with all of the requirements of 24 CFR, Part 570 and Part 91, Community Development Block Grant Program.
 - b. The Operating Agency will comply with other applicable Federal requirements in 24 CFR, Part 570 and Part 91, as follows:
 1. 24 CFR 5.105(a). Section 3 Nondiscrimination and Equal Opportunity;
 2. 24 CFR 570 Subpart A, General Provisions;
 3. 24 CFR 570 Subpart C, Eligible Activities;
 4. 24 CFR 570 Subpart J, Grant Administration;
 5. 24 CFR 570 Subpart K, Other Program Requirements;
 6. 24 CFR 570 Subpart O, Performance Reviews;
 7. Title VI and Executive Order 13166 Affirmative Outreach
 - c. If the Operating Agency is primarily a religious organization, it agrees to use its funds to provide all eligible activities under this program in a manner that is free from religious influences as provided by 24 CFR 576.406.
 - d. The Operating Agency will comply with the uniform administrative requirements of 24 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, and the requirements of 24 CFR 576.407.
 - e. The Operating Agency will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR, Part 24 and the requirements of 24 CFR 576.59.
 - f. The Operating Agency will comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992, implementing regulations at 24 CFR, Part 35, Subparts A, B, H, J, K, and M as applicable.
 - g. The Operating Agency will use CDBG funds pursuant to its or the City's Consolidated Plan approved by HUD and all requirements of 24 CFR, Part 570 and Part 91.
 - h. The Operating Agency will maintain adequate documentation to determine eligibility of persons served by the CDBG program.
 - i. The Operating Agency will develop and implement procedures to ensure the confidentiality of records pertaining to any individual fleeing domestic violence situations. In addition the address and location of family violence shelter facilities receiving ESG funding may not be publicly disclosed except with the written authorization of the person(s) responsible for the shelter facility's operation.
- E.9. Drug Free Workplace. The Operating Agency will or will continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the action that will be taken against employees for violation of such prohibition;
 - b. Establishing an ongoing drug-free awareness program to inform employees about:
 1. The dangers of drug abuse in the workplace;
 2. The Operating Agency's policy of maintaining a drug-free workplace;
 3. Any drug counseling, rehabilitation and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - c. Making it a requirement that each employee to be engaged in the performance of this Grant Contract be given a copy of the statement required by Paragraph E.10. (a);
 - d. Notifying the employee in the statement required by Paragraph E.10(a) that, as a condition of employment under this Grant Contract, the employee will:
 1. Abide by the terms of the statement; and
 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - e. Notifying the City in writing, within ten calendar days after receiving notice under Paragraph E.10(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
 - f. Taking one of the following actions, within thirty calendar days of receiving notice under Paragraph E.10(d)(2), with respect to any employee who is so convicted:
 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs E.10 (a), (b), (c), (d), (e) and (f).
- E.10. Corrective Action. If the City takes any corrective or remedial action as outlined in 24 CFR § 570.910 that is the result of any action taken by the Operating Agency, the

Operating Agency will take any action required by the City to prevent a continuation of the deficiency, mitigate to the extent possible its adverse effects or consequences, and prevent its recurrence. These remedies could, among other actions, include repaying CDBG funds to the City.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

John Clark, Mayor

Date

ATTEST:

James H. Demming, City Recorder

Date

HELP OUR POTENTIAL EVOLVE, Inc.

Chaiba Bloomer, President

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date

ATTACHMENT A

2017 CDBG PROGRAM DESCRIPTION OF OPERATING AGENCY ACTIVITIES

OPERATING AGENCY: Help Our Potential Evolve, Inc.

I. The activities for the 2017 CDBG Project shall consist of the following:

A. Purpose of Project.

H.O.P.E. will expand its Youth Leadership Program to offer activities and events which increase personal and financial responsibility of low/mod income high school students in the Kingsport community, leading to greater awareness of, access to and success in education and employment.

B. Method of Operation.

The program will be available to residents of Kingsport, consisting primarily of low and very low-income, minority persons. The program will be administered by H.O.P.E. and will provide funding to purchase training materials for community service and leadership programs and transportation costs associated with delivering these programs.

ATTACHMENT B

2017 CDBG Program IMPLEMENTATION PLAN FOR CDBG PROJECTS

OPERATING AGENCY: Help Our Potential Evolve, Inc.

I. The time table for completing the activities for the project shall be:

- | | | |
|----|--|---------------|
| 1. | Determination of status for Environmental Review | July 1, 2017 |
| 2. | Release of Funds | July 1, 2017 |
| 3. | Begin providing services to homeless | July 1, 2017 |
| 4. | Contract complete | June 30, 2018 |

ATTACHMENT D

Federal Award Identification Worksheet

Operating Agency's name (must match registered name in DUNS)	Help Our Potential Evolve, Inc.
Operating Agency's DUNS number	
Federal Award Identification Number (FAIN)	B-17-MC-47-0004
Federal award date	July 1, 2017
CFDA number and name	14.218 Community Development Grant Program
Grant contract's begin date	July 1, 2017
Grant contract's end ate	June 30, 2018
Amount of federal funds obligated by this grant contract	\$5,003
Total amount of federal funds obligated to the Operating Agency	\$5,003
Total amount of the federal award to the City of Kingsport	\$354,288
Name of federal awarding agency	U.S. Department of Housing and Urban Development
Name and contact information for the federal awarding official	Mary C. Wilson, Director Community Planning and Development U.S. Department of Housing and Urban Development Knoxville Field Office 710 Locust Street, Third Floor Knoxville, TN 37902-2526
Is the federal award for research and development?	No
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	To be determined by cost allocation plan approved by Operating Agency's cognizant agency

ATTACHMENT E

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Operating Agency should submit only one, completed "Notice of Audit Report" document to the City during the Operating Agency's fiscal year.***

- ☐ _____ is subject to an audit for fiscal year 2017.
- ☐ _____ is not subject to an audit for fiscal year 2017.

Any Operating Agency that is subject to an audit must complete the information below.

Operating Agency's Edison Vendor ID Number: _____

Type of funds expended	Estimated amount of funds expended by end of Operating Agency's fiscal year
Federal pass-through funds	
a. Funds passed through the City of Kingsport	a. \$5,003
b. Funds passed through any other entity	b. \$0
Funds received directly from the federal government	\$
Non-federal funds received directly from the City of Kingsport	\$

Auditor's Name: _____

Auditor's address: _____

Auditor's phone number: _____

Auditor's email: _____

ATTACHMENT F

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Operating Agency should submit only one, completed "Parent Child Information" document to the City during the Operating Agency's fiscal year if the Operating Agency indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Operating Agency's Edison Vendor ID number: _____

Is _____ a parent? Yes ☐ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is _____ a child? Yes ☐ No ☐

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____



AGENDA ACTION FORM

Right-of-Way Easement with Kingsport Power Company

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-266-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: R. Trent
 Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

American Electric Power has requested a right-of-way easement from the city in order to upgrade their distribution facilities in the area bounded by Reedy Creek Road and Ryder Drive. This upgrade will allow the bounded area to remain in service during the construction of the Indian Trail Drive Extension Project. In addition, once the Indian Trail Drive Extension Project is complete, it will provide a circuit tie that will allow redundancy in the event of a line failure in the area. While the easement is for American Electric Power, it is in the name of its subsidiary, Kingsport Power Company.

Attachment:

1. Resolution
2. Project Location Map and Easement

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A
RIGHT-OF-WAY EASEMENT WITH KINGSPORT POWER
COMPANY

WHEREAS, the city has requested that during construction of the Indian Trail Drive Extension Project, American Electric Power upgrade their distribution facilities in the area bounded by Reedy Creek and Ryder Drive which will allow the area to remain in service during construction of the road project; and

WHEREAS, in order to upgrade their existing distribution facilities, American Electric Power has requested that the city execute a Right-of-Way Easement to Kingsport Power Company, a subsidiary of American Electric Power; and

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, a Right-of-Way Easement with Kingsport Power Company.

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

City of Kingsport Eas No. _____ R/W Map No. 3783-1128-A3
 1324 Midland Drive W. O. No. W002851001 Job No. 17560044 Prop No. 1
 Kingsport, TN 37664 Line Upgrade Distribution Facilities

THIS AGREEMENT, made this _____ day of _____, 20 17,
 by and between CITY OF KINGSFORT, a
 municipal corporation organized and existing under the laws of the State of
TENNESSEE, herein called "Grantor", and KINGSPORT
POWER COMPANY, a Virginia corporation, herein called "Kingsport",

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00), cash in hand paid to Grantor by Kingsport, the receipt whereof is hereby acknowledged, Grantor hereby grants, conveys and warrants to Kingsport, its successors, assigns, lessees and tenants, a right of way and easement for an electric power line or lines, and communication lines, in, on, along, through, over, across or under the following described lands of the Grantor situated in _____ 14th _____ Civil District, County of Sullivan, State of Tennessee.

On the North by the lands of Jerry M Crowe, Jr.
 On the East by the lands of _____
 On the South by the lands of Overlook Rd.
 On the West by the lands of City of Kingsport

This line extends in a Northeasterly direction from Kingsport's existing Pole numbered 1128-A3-2656 to and including new Poles numbered 1128-A3-5724 & 5725 to and including existing pole numbered 1128-A3-4709.

In the event Kingsport should remove all of said Kingsport's facilities from the lands of the Grantor, then all of the rights, title and interest of the party of Kingsport in the right of way and easement herein above granted, shall revert to the Grantor, its successors and assigns.

Being a right of way easement over the same property conveyed to Grantors herein by Edward Bernhard, by deed dated 1/30/2009, and recorded in Sullivan County, Deed Book No. 2736C, Page 554.

Map 047P, Group C, CTL Map 047P, Parcel 033.00.

Being a right of way easement over the same property conveyed to Grantors herein by Bill Tipton, Et Al, by deed dated 11/08/2012, and recorded in Sullivan County, Deed Book No. 3057, Page 1447.

Map 047P, Group C, CTL Map 047P, Parcel 032.00.

Being a right of way easement over the same property conveyed to Grantors herein by Burl D Hall, by deed dated 3/13/2008, and recorded in Sullivan County, Deed Book No. 2644C, Page 407.

Map 047P, Group C, CTL Map 047P, Parcel 031.00 & 030.00.

Being a right of way easement over the same property conveyed to Grantors herein by Betty Ruth Gilliam, by deed dated 6/18/2012, and recorded in Sullivan County, Deed Book No. 3038, Page 2263.

Map 047P, Group C, CTL Map 047P, Parcel 029.00.

TOGETHER with the right, privilege and authority to Kingsport, its successors, assigns, lessees and tenants, to construct, erect, install, place, operate, maintain, inspect, repair, renew, remove, add to the number of, and relocate at will, poles, with wires, cables, crossarms, guys, anchors, grounding systems and all other appurtenant equipment and fixtures, underground conduits, ducts, vaults, cables, wires, transformers, pedestals, risers, pads, fixtures and appurtenances (hereinafter called "Kingsport's Facilities"), and string wires and cables, adding thereto from time to time, in, on, along, over, through, across and under the above referred to premises; the right to cut down, trim, clear and/or otherwise control, and at Kingsport's option, remove from said premises, any trees, shrubs, roots, brush, undergrowth, overhanging branches, buildings or other obstructions which may endanger the safety of, or interfere with the use of Kingsport's Facilities; the right to disturb the surface of said premises and to excavate thereon; and the right of ingress and egress to and over said above referred to premises, and any of the adjoining lands of the Grantor at any and all times, for the purpose of exercising and enjoying the rights herein granted, and for doing anything necessary or useful or convenient in connection therewith.

It is understood and agreed between the parties hereto, that the Grantor reserves the right to use said lands in any way not inconsistent with the rights herein granted.

TO HAVE AND TO HOLD the same unto Kingsport Power Company, its successors, assigns, lessees and tenants.

It is agreed that the foregoing is the entire contract between the parties hereto, and that this written agreement is complete in all its terms and provisions.

IN WITNESS WHEREOF, Grantor has caused its corporate name and seal to be hereunto affixed the day and year first above written.

CITY OF KINGSFORT

By: _____
Mayor

Attest: _____
Secretary

STATE OF _____ }
COUNTY OF _____ } To-wit:

Before me _____ of the State and County aforesaid, personally appeared _____, with whom I am personally acquainted and who, upon oath, acknowledge himself/herself to be _____ Mayor of _____, the within named bargainor, a municipal corporation, and that he/she as such _____ Mayor, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipal corporation by himself/herself as _____ Mayor.

Witness my hand and official seal in _____ County, State of _____, this the _____ day of _____, 20____.

Notary Public

My Commission expires:

I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$ 1.00, which amount is equal to or greater than the amount which the property transferred commanded at a fair and voluntary sale.

KINGSPORT POWER COMPANY

By: _____

STATE OF TENNESSEE)

COUNTY OF SULLIVAN)

To-wit:

Subscribed and sworn to before me this the ____ day of _____, 20__.

Notary Public

My Commission Expires:



AGENDA ACTION FORM

Execute a Memorandum of Understanding Between the City of Kingsport and Kingsport Public Library Commission

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *EF*

Action Form No.: AF-270-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: Billingsley/McCartt
 Presentation By: Chris McCartt

Recommendation:

Approve the Resolution.

Executive Summary:

As the result of a new Tennessee state law our Kingsport Public Library Advisory Board became a governing board effective July 1, 2017. With the exception of Knoxville, Chattanooga, Nashville and Memphis this new law required all public libraries to make this change, if they received state funding. Approval of this memorandum of understanding (MOU) allows the Library Commission to contract with the City of Kingsport for operating services and management oversight, the basic services the City has provided the library for nearly 96 years. This MOU will remain in effect unless a request is made to amend by either party.

Attachments:

1. Resolution

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE PUBLIC LIBRARY COMMISSION AND AUTHORIZING THE MAYOR TO EXECUTE THE MEMORANDUM AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE MEMORANDUM

WHEREAS, the city has managed the operation of the Kingsport Public Library on behalf of the Public Library Commission for many years; and

WHEREAS, both the city and the commission would like to continue such service; and

WHEREAS, the Kingsport Public Library Commission has approved the Memorandum of Understanding; and

WHEREAS, the Memorandum of Understanding will allow the city to continue to manage the Kingsport Public Library for the Public Library Commission.

Now therefore,

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

SECTION I. That a Memorandum of Understanding allowing the city to continue to manage and operate the Kingsport Public Library for the Public Library Commission 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, Memorandum of Understanding with the City of Kingsport and the Public Library Commission and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Memorandum or this resolution, said Memorandum of Understanding being as follows:

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding effective retroactive to July 1, 2017, is made by the City of Kingsport (City) and its Public Library Commission (Commission) to document the intention of the City and its Commission regarding the management and operation of the Kingsport Public Library system (Library).

Whereas the City has managed the operation of the Library on behalf of the Commission for many years in the past; and

Whereas the parties desire to continue such service in the future; and

Whereas the Commission finds that it is in the best interest of the library and the citizens of Kingsport for the City to continue to provide operational management of the Library;

Now therefore, in consideration of the mutual promises and undertakings contained herein the parties agree as follows:

Pursuant to its authority to direct all the affairs of the Library, the Commission delegates to the City the right to the continued management and operation of the Library as the City has done in the past, which include the hiring and termination the library administrator and all employees of the Library. Additionally, the Commission hereby authorizes the City to take all action reasonable and necessary to manage and operate the Library. Some of the services that the City has provided in the past to the Commission include human resources services, budget preparation and oversight, finance services, risk management services, purchasing services, legal services, and all other services generally provided in the past by the City for the operation of the Library. The City accepts the delegation to manage and operate of the Library. For further clarification, the parties intend that the management and operation of the Library by the City will continue in the manner it has in the past.

The Memorandum of Understanding shall continue in effect until revoked by the vote of a majority of the members present and voting at a meeting of the City's Board of Mayor and Aldermen or by the vote of a majority of the members present and voting at a meeting of the Library Commission, provided such revocation shall not be effective until at least ninety days after approval of the revocation.

[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 memorandum set out herein that do not substantially alter the material provisions of the memorandum, 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 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Award the Bid for the Dobyons-Bennett High School Addition Project to Burwil Construction Company, Inc.

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-267-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: Committee
 Presentation By: D. Frye

Recommendation:

Approve the Resolution.

Executive Summary:

Kingsport City Schools opened bids on August 10, 2017 for the Dobyons-Bennett High School Addition project. The advertisement for the Invitation to Bid was published in the Kingsport Times News on July 5, 2017, and placed on City of Kingsport website for 37 calendar days. Three bids were received which included pricing for three alternates and ranged from \$21,122,000 to \$23,577,000. The low bid was received from Burwil Construction Company, Inc. The architects and Burwil Construction Company, Inc. worked together to identify and remove items from the project that would not change the scope of the project to bring the total project bid closer to the budget. All recommended changes were presented to the Bid review committee. The committee accepted \$1,309,646 in reductions. The final Burwil Construction Company, Inc. contract amount is \$19,812,354. This makes the total project costs \$23,173,108.

The Board of Education approved the recommendation to award the bid to Burwil Construction Company, Inc. on October 3, 2017. It is recommended that the Board of Mayor and Aldermen approve the resolution to award the bid for the construction of the Dobyons-Bennett High School Addition to Burwil Construction Company, Inc. in the amount of \$19,812,354 and establish a 6% contingency of \$1,188,741.

Attachments:

1. Resolution
2. Bid Tabulation
3. Recommendation

Funding source appropriate and funds are available: 

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE DOBYNS BENNETT HIGH SCHOOL ADDITION CONSTRUCTION PROJECT TO BURWIL CONSTRUCTION COMPANY 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 10, 2017, for the Dobyms-Bennett High School Addition construction project; and

WHEREAS, upon review of the bids, the board finds Burwil Construction Company is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract for the Dobyms-Bennett High School Addition construction project from Burwil Construction Company at an estimated construction cost of \$19,812,354.00; and

WHEREAS, funding is identified in project number GP1620.

Now therefore,

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

SECTION I. That the bid for the Dobyms-Bennett High School Addition construction project at an estimated cost of \$19,812,354.00 is awarded to Burwil Construction Company, and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

TABULATION OF BIDS


PERKINS + WILL

PROJECT: DOBYNS-BENNETT HIGH SCHOOL ADDITION


PROJECT NUMBER: PW # 801454.000

BID SUBMISSION: 1:00 PM EST, August 10, 2017

CONTRACTORS	CONTRACTOR LICENSE (NUMBER)	BID BOND	ADDENDA 1-5 ACKNOWLEDGED	UNIT PRICE #1	UNIT PRICE #2	UNIT PRICE #3	UNIT PRICE #4	UNIT PRICE #5	UNIT PRICE #6	UNIT PRICE #7	BASE BID	ALTERNATE 1	ALTERNATE 2	ALTERNATE 3
Rentenbach Constructors Inc.	1179	Yes	Yes	\$8 00	\$48 00	\$125 00	\$52 00	\$52 00	\$10 00	\$52 00	\$21,098,000 00	\$490,000 00	\$110,000 00	\$150,000 00
Burwil Construction Co., Inc.	00008047	Yes	Yes	\$9 00	\$42 90	\$64 80	\$58 60	\$63 60	\$11 65	\$55 12	\$20,467,000 00	\$444,000 00	\$106,000 00	\$105,000 00
J.A. Street & Associates	00023892	Yes	Yes	\$8 00	\$48 75	\$120 00	\$52 00	\$52 00	\$10 00	\$28 50	\$22,832,000 00	\$451,000 00	\$140,000 00	\$154,000 00

 8-18-17

John S. Poelker, AIA
Perkins+Will Architects


08/18/2017



MEMORANDUM

TO: Board of Mayor and Aldermen

FROM: David J. Frye, Chief Finance Officer

DATE: October 17, 2017

SUBJECT: Dobyys-Bennett Science and Technology Center

Bids were opened for the construction of the D-B Science and Technology Center on August 10, 2017. There were three bids received. The bids, including the three alternates ranged from \$21,122,000 to \$23,577,000. The three alternates are:

1. Upgrade of current PA system
2. Renovation to existing school lobby
3. Additional site work/paving

The low bid was received from Burwil Construction Company, Inc. The architects have been working with Burwil Construction to identify items that can be removed from the project that don't affect the overall scope of the project. The architects recommended reductions that total \$1,450,367. The bid review committee accepted \$1,309,646 of these reductions. This brings the final Burwil contract amount to \$19,812,354. This makes the total project costs to \$23,173,108. See the project cost worksheet for the detail. The Board of Education approved the recommendation to award the project to Burwil Construction Company, Inc. on October 3, 2017.

It is recommended that the Board of Mayor and Aldermen approve the resolution to award the bid for the construction of Dobyys-Bennett Science and Technology Center to Burwil Construction Company, Inc. in the amount of \$19,812,354 and establish a 6% contingency of \$1,188,741.



AGENDA ACTION FORM

Approving a Letter of Intent

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-269-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: Ryan McReynolds
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

A request has been made of the city to execute a letter of intent referencing the potential purchase of the Regions Bank building located at 415 Broad Street, Kingsport, TN 37660. The text of the letter term sheet is included in the attached resolution.

Highlights of the terms include an initial deposit of \$27,000.00 due upon execution of the Purchase and Sale Agreement; and a second deposit of \$27,000.00 due upon the expiration of the due diligence period. The earnest money deposits shall be held in escrow and credited toward the purchase price of \$2,700,000.00 at closing. The earnest money deposit shall be fully refundable throughout the due diligence period.

The Letter of Intent is non-binding and entirely subject to the execution by both parties of a Purchase and Sale Agreement.

Attachments:

1. Resolution
2. Letter of Intent Term Sheet

Funding source appropriate and funds are available: Yes

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A NON-BINDING LETTER OF
INTENT TO PURCHASE THE REGIONS BANK BUILDING
SUBJECT TO CERTAIN TERMS AND CONDITIONS AND
AUTHORIZING THE MAYOR TO EXECUTE THE LETTER OF
INTENT

WHEREAS, the city would like to purchase the property known as the Regions Bank Building located at 415 Broad Street; and

WHEREAS, the letter of intent will set out the general terms of the purchase that will be included in a purchase agreement, which will include an initial deposit of \$ 27,000.00 due upon execution of the purchase agreement and a second deposit of \$27,000.00 due upon the expiration of the due diligence period; and

WHEREAS, any purchase agreement for the property must be approved by the board prior to execution by the city; and

WHEREAS, the earnest money deposits will be held in escrow and credited toward the purchase price of \$2,700,000.00 at closing, and shall be fully refundable throughout the due diligence period.

Now therefore,

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

SECTION I. That a non-binding Letter of Intent to purchase the Regions Bank Building located at 415 Broad Street, generally on the terms set out below, 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 Letter of Intent to purchase the Regions Bank Building located at 415 Broad Street and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Letter of Intent or this resolution, said terms set out below:

<u>Regions Bank Building LOI Term Sheet</u>	
Property:	415 Broad Street, Kingsport, TN 37660 comprised approximately of a 67,153 square foot office building situated on 2.1 acres.
Seller:	Regions Bank
Purchaser:	City of Kingsport
Purchase Price:	Two Million Seven Hundred Thousand (\$2,700,000.00)
Earnest Money	Initial Deposit of \$27,000 due upon execution of the PSA and a Second Deposit of \$27,000 due upon the expiration of the Due Diligence Period. The Earnest Money Deposits shall be held in escrow and credited toward the Purchase Price at closing. The Earnest Money Deposit shall be fully refundable throughout the Due Diligence Period.
Due Diligence Period:	Forty-Five (45) days from the full execution of the Purchase and Sale Agreement.
Closing Period:	The closing will take place between December 1, 2017 and December 31, 2017.

Closing Costs:	Closing costs will be allocated per the custom for the State of Tennessee. Regardless, the costs for inspections, surveys and title work shall be the cost of the Purchaser.
Furniture:	Regions can make available and convey through a bill of sale at closing any surplus furniture.
Leaseback:	At closing Regions will require the option to leaseback the first and second floors for a period of six (6) months with the option to extend the lease for two (2) periods of three (3) months each upon a thirty (30) day written notice. Regions will pay all operating costs for the building and maintain the building in a professional manner. As long as there is minimal disruption of the Bank's usage, the city can commence its improvement work on floors 3 – 6.
Current Tenants:	The property will be delivered free and clear of any third-party tenants. There are currently two such tenants under month to month leases.
Purchase and Sale Agreement:	Seller to prepare the Purchase & Sale Agreement ("PSA")
Contingency:	The sale is contingent upon final Regions Bank Committee approval
Non-binding Agreement:	The Term Sheet is non-binding and entirely subject to the execution by both parties of a Purchase and Sale Agreement.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Regions Bank Building LOI Term Sheet

Property: 415 Broad Street, Kingsport, TN 37660 comprised approximately of a 67,153 square foot office building situated on 2.1 acres.

Seller: Regions Bank

Purchaser: City of Kingsport

Purchase Price: Two Million Seven Hundred Thousand (\$2,700,000.00)

Earnest Money Deposit: Initial Deposit of \$27,000 due upon execution of the PSA and a Second Deposit of \$27,000 due upon the expiration of the Due Diligence Period. The Earnest Money Deposits shall be held in escrow and credited toward the Purchase Price at closing. The Earnest Money Deposit shall be fully refundable throughout the Due Diligence Period.

Due Diligence Period: Forty-Five (45) days from the full execution of the Purchase and Sale Agreement.

Closing Period: The closing will take place between December 1, 2017 and December 31, 2017.

Closing Costs: Closing costs will be allocated per the custom for the State of Tennessee. Regardless, the costs for inspections, surveys and title work shall be the cost of the Purchaser.

Furniture: Regions can make available and convey through a bill of sale at closing any surplus furniture.

Leaseback: At closing Regions will require the option to leaseback the first and second floors for a period of six (6) months with the option to extend the lease for two (2) periods of three (3) months each upon a thirty (30) day written notice. Regions will pay all operating costs for the building and maintain the building in a professional manner. As long as there is minimal disruption of the Bank's usage, the city can commence its improvement work on floors 3 – 6.

Current Tenants: The property will be delivered free and clear of any third-party tenants. There are currently two such tenants under month to month leases.

Purchase and Sale Agreement: Seller to prepare the Purchase & Sale Agreement ("PSA")

Contingency: The sale is contingent upon final Regions Bank Committee approval

Non-binding Agreement: The Term Sheet is non-binding and entirely subject to the execution by both parties of a Purchase and Sale Agreement.



AGENDA ACTION FORM

Accept a Private Donation of an Explosive Detection K-9

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-271-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: D/C Phipps
 Presentation By: Chief Quillin

Recommendation:

Approve the Resolution.

Executive Summary:

In the spring of 2017, Kingsport citizen Bill Creasy contacted the Kingsport Police Department with the notion of donating a full-blooded Labrador Retriever to the department's K-9 program, baring the animal could be certified as such. After a departmental selection process for a K-9 handler, the animal was placed into an intensive training program with the expectation to designate it as an explosive ordinance detection dog, if certifiable. Most recently, K-9 "Charlee" achieved certification by the NNDDA (National Narcotics Detector Dog Association), which also certifies explosive detection K-9s. It is with this Resolution that the police department desires for the city to accept the donation and place "Charlee" into an active role with the existing K-9 corps. The value of a certified explosive detection K-9 is approximately \$5,000-\$8,000.00, if purchased already trained and certified.

Attachments:

1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A DONATION OF "CHARLEE", AN
EXPLOSIVE DETECTIVE K-9 FOR THE KINGSPORT POLICE
DEPARTMENT

WHEREAS, Bill Creasy, a Kingsport citizen, would like to donate an explosive detecting K-9 to the Kingsport Police Department; and

WHEREAS, a full- blooded Labrador Retriever was selected, and received certification by the NNDDA (National Narcotics Detector Dog Association), which also certifies explosive detection K-9s; and

WHEREAS, the Kingsport Police Department would like to add "Charlee" as an active member of the existing K-9 corps; and

WHEREAS, the estimated value of this donation is in an amount up to \$8,000.00.

Now therefore,

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

SECTION I. That the donation to the city from Bill Creasy of an explosive detecting Labrador Retriever named "Charlee" for use in the police K-9 corps in the estimated amount of \$8,000.00, is accepted.

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Approve the Americans with Disabilities Act (ADA) Compliance and Self-Certification Letter to the Tennessee Department of Transportation (TDOT)

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-261-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: A. Deakins & G. DeCroes
 Presentation By: Mike Billingsley

Recommendation:

Approve the Resolution.

Executive Summary:

On November 14, 2016, the city received a letter from Mr. Paul Degges, Deputy Commissioner of TDOT, regarding the obligation of every city and county with fifty or more employees to prepare or update an ADA Transition Plan. The city has undertaken the self-evaluation of its facilities, including the parks and recreational facilities, and its programs. The city staff is in the process of writing the complete self-evaluation and transition plan. As required by Mr. Degges's letter, the city must submit a letter to him by December 1, 2017, approved by the board of mayor and aldermen and signed by the mayor, outlining the development of the city's transition plan. The draft of the letter is set out in the attached resolution.

The transition plan must be fully completed by the end of 2019. The city is on schedule to complete it by that time.

Attachments:

1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING THE AMERICANS WITH
DISABILITIES ACT (ADA) COMPLIANCE AND SELF-
CERTIFICATION LETTER TO THE TENNESSEE DEPARTMENT
OF TRANSPORTATION (TDOT) AND AUTHORIZING THE
MAYOR TO EXECUTE THE SAME

WHEREAS, on November 14, 2016, the city received a letter from Mr. Paul Degges, Deputy Commissioner of TDOT, regarding the obligation of every city and county with fifty or more employees to prepare or update an ADA Transition Plan; and

WHEREAS, the plan addresses city facilities, programs, and services to ensure accessibility to all citizens; and

WHEREAS, the letter requires compliance with interim steps and completion of the plan in a certain timeframe or the city will forfeit its TDOT funding; and

WHEREAS, the city must submit a letter by December 1, 2017, outlining the development of its transition plan, and the letter must be approved by the board of mayor and aldermen.

Now therefore,

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

SECTION I. That a letter from the mayor to Mr. Paul Degges, Deputy Commissioner of TDOT, is approved, said letter being generally as follows:

October 20, 2017

Mr. Paul D. Degges, P.E.
Deputy Commissioner/Chief Engineer
Tennessee Department of Transportation
Bureau of Engineering
Suite 700, James K. Polk Building
505 Deaderick Street
Nashville, TN 37243-1402

Re: Americans with Disabilities Act Compliance and Self-Certification Letter

Deputy Commissioner Degges:

This letter is in response to your November 14, 2016, letter requesting a written letter outlining the development of the city's Americans with Disabilities Act (ADA) Transition Plan and Self-Evaluation. Please accept this as the City of Kingsport's response. The city had already implemented some steps prior to receipt of your letter. The progress is as follows:

- In 1992 the city prepared and implemented an ADA Transition Plan;
- In September 2015, City Manager, Jeff Fleming, appointed George DeCroes, the city's human resources director, as the city's ADA Coordinator;

- In August 2016, then Director of Schools, Dr. Lyle Ailshie, named Jim Nash, Chief Student Services Officer, as the ADA Coordinator for the Kingsport City Schools for public, non-student, issues;
- In December 2016, the city provided Margaret Mahler, TDOT ADA Compliance Officer, documentation of the city's website and grievance procedure and the named ADA Coordinator;
- In May 2017, the city and the city schools completed the self-evaluation of their programs and services;
- Likewise in the same month the city hired Cain, Rash and West, an architect firm, to do a review of all city owned buildings and facilities, other than city schools facilities;
- In August 2017, the city expanded the scope of the contract with Cain, Rash and West to include all parks and recreational facilities as well as the playground facilities for the Kingsport City Schools;
- The Kingsport City School system is in the process of an ADA Facilities review and estimate that to be completed by the first months of 2018;
- At present the city's ADA Coordinator and the legal department are gathering data from all departments and compiling and coordinating the composition of the self-evaluation and will have it available for an estimated public review date of March 2018;
- The city's ADA Coordinator and his team have a meeting with Cain, Rash and West scheduled for October 30, 2017, to review the final reports of the facilities and playgrounds findings, and that information will be added to the city's self-evaluation plan.

Once the self-evaluation plan is complete and ready for public review, the ADA Coordinator and his team will begin the process of finalizing the Transition Plan and setting out the scope of the tasks to fulfill the plan. It is the desire of the city to complete the Transition Plan and be on track to begin implementation of any necessary changes by year-end 2018. The city takes this matter seriously and will continue to work to fulfill its obligation.

Thank you for your attention to this matter. Should you have any questions or need any clarification, please do not hesitate to contact me.

Sincerely,

John Clark, Mayor

Enc.: City of Kingsport Resolution No. ____

cc: Jeff Fleming, City Manager
George DeCroes, City of Kingsport ADA Coordinator
J. Michael Billingsley, City Attorney
Dwain Arnold, Interim Director of Schools
Jim Nash, Kingsport City Schools ADA Coordinator

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 letter and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of this resolution.

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the letter that do not substantially alter the material provisions of the letter, 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 17th day of October, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Approving a Property Exchange Agreement with Eastern Eight Community Development Corporation Pertaining to City Owned Property at 1315 Gibson Mill Road, Formerly 101 Lee Street, and 232 Cherokee Village Drive Owned by Eastern Eight Community Development Corporation

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-247-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: Lynn Tully, AICP
 Presentation By: Lynn Tully, AICP

Recommendation:

Approve the Resolution.

Executive Summary:

Eastern Eight Community Development Corporation (E8) has approached the city requesting to take possession of city-owned property located at 1315 Gibson Mill Road, formerly 101 Lee Street, for use in their Affordable Homeownership Program. E8 acquired property located at 232 Cherokee Village Drive from KHRA. KHRA acquired ownership of the property from the city. The city had purchased the property during the Ravine Road Realignment Project. E8 proposes to exchange the property it owns on Cherokee Village Drive for the property the city owns at 1315 Gibson Mill Road. The property at 232 Cherokee Village Drive could then be used by the city or sold.

Both properties were acquired during road realignments and included homes that were subsequently demolished. A portion of each property was utilized in the road construction.

COMPARISON	232 CHEROKEE VILLAGE DRIVE	1315 GIBSON MILL ROAD
<i>Acreage</i>	0.188	0.23
<i>Tax Appraisal</i>	\$14,800	\$7,700
<i>Location</i>	Cul-de-sac	Collector
<i>City Acquisition</i>	2008	2008

Executive Summary continued on next page.

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

Executive Summary Continued:

AF-247-2017

October 17, 2017

Eastern Eight will be working with YouthBuild of Northeast Tennessee to construct a new home on 1315 Gibson Mill Road over a 6 month period. The property value of the new home and the land will be approximately \$132,500. This could yield \$687 in new property tax in addition to fees for water, sewer, and storm water. YouthBuild is a grant funded training and educational program for at risk young adults with barriers to employment. Its funding allows for 12-15 participants to receive Pre-Apprenticeship training recognized by Homebuilder's Institute and the National Association of Home Builders and is recognized by the U.S. Dept. of Labor.

The Kingsport Regional Planning Commission reviewed the request for the Gibson Mill Road property in April 16, 2015, and declared to property as surplus. The property was reviewed at that time and is not needed by any city department.

Based on the city's original intention of returning this property to private ownership and additional interest in raising the standard of redevelopment in the neighborhood, staff recommends the transfer of the exchange of properties with the following restrictions on the Gibson Mill property:

- (a) Only a wood framed single family house with at least 1,000 square feet of living area with at least 3 bedrooms and 2 baths can be constructed or erected on the property;
- (b) The exterior materials of the house must be brick, wood siding, or vinyl siding in a wood siding pattern;
- (c) The house must include a front porch area with handrails and railings, and any open areas of the crawl space shall be covered in lattice or other finish and/or painted material;
- (d) The exterior of the house should include two paint colors and a differing trim color;
- (e) Decorative landscaping shall be provided at the foundation perimeter in the front yard;
- (f) Concrete sidewalks shall be provided to each entrance of the house; and
- (g) All driveway areas must be paved with asphalt or concreted, and there will be no parking areas in the front yard.

Attachments:

1. Resolution
2. Letter from Eastern Eight Requesting Property
3. KRPC Minutes, April 16, 2015
4. Location Maps of the Gibson Mill Road and Cherokee Village Drive Properties
5. Proposed House Plans and Recent Completed Pictures
6. City Records Letter of Surplus

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A PROPERTY EXCHANGE AN AGREEMENT WITH EASTERN EIGHT COMMUNITY DEVELOPMENT CORPORATION AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, in May, 2008, the city purchased property located at 1325 Gibson Mill Road, formerly 101 Lee Street; and

WHEREAS, a portion of the property was used in the realignment of Gibson Mill Road; and

WHEREAS, the remaining of portion of the property was declared surplus by the planning commission on April 16, 2015, as well as by the city recorder and the city has not further need for the property;

WHEREAS, Eastern Eight Community Development Corporation, a Tennessee nonprofit corporation, has property located at 232 Cherokee Village Drive; and

WHEREAS, the property owned by the city on Gibson Mill Road has a 2017 tax appraisal of \$7,700, and the property owned by Eastern Eight Community Development Corporation has a 2017 tax appraisal of \$14,800; and

WHEREAS, the board finds that based on the tax appraisal and the relative low value of the properties that appraisals are not needed; and

WHEREAS, staff recommends the exchange of the property and approval of the property exchange agreement;

Now therefore,

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

SECTION I. That a property exchange agreement as set out herein with Eastern Eight Community Development Corporation is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the property exchange agreement with Eastern Eight Community Development Corporation and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

PROPERTY EXCHANGE AGREEMENT

This Property Exchange Agreement (hereinafter "Agreement") is hereby made, entered into and effective as of the latest of the dates of execution by the parties hereto as shown by the date of notarization of the signatures of the parties, by and between CITY OF KINGSPORT, TENNESSEE, a Tennessee municipal corporation, (hereinafter "City") and EASTERN EIGHT DEVELOPMENT CORPORATION, a nonprofit Tennessee corporation, (hereinafter "E8").

WHEREAS, City is the owner of a certain parcel of land located at 1315 Gibson Mill Road, formerly 101 Lee Street, Kingsport, Tennessee, which is more particularly described herein ; and
WHEREAS, E8 is the owner of a certain parcel of land located at 232 Cherokee Village Drive, Kingsport, Tennessee, which is more particularly described herein; and
WHEREAS, the parties agree to exchange these properties one for the other in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the premises and mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. PROPERTY EXCHANGE.

(A) City agrees, subject to the terms and conditions herein, to convey to E8 by quitclaim deed, in a form and content acceptable to E8 and its counsel, all of City's right, title and interest, together with appurtenances pertaining thereto and improvements located thereon, in and to the parcel of real property located in the City of Kingsport, 11th Civil District of Sullivan County, Tennessee, and more particularly described as follows, to wit:

Being the parcel shown on Sullivan Tax Map 046G, Group A, Parcel 023.00, but not including any right of way for Gibson Mill Road.

Being part of the property conveyed to the City of Kingsport from Judy Luster Rhoton by deed dated May 5, 2008, and recorded in the Register's Office for Sullivan County at Blountville, Tennessee, in Deed Book 2663C at page 802; to which reference is hereby expressly made.

This property is hereinafter referred to as the "City Property". Prior to closing a more complete description of the property will be provided and inserted herein.

(B) E8 agrees, subject to the terms and conditions herein, to convey to City by quitclaim deed, in a form and content acceptable to City and its counsel, all of E8's right, title and interest, together with appurtenances pertaining thereto and improvements located thereon in and to the parcel of real property located in the City of Kingsport, 11th Civil District of Sullivan County, Tennessee, and described as follows, to wit:

Beginning at an iron pin set at the intersection of the boundary between Lots 19 and 20 of Block 134 of the City of Kingsport with the ROW of a cul-de-sac at the terminus of Cherokee Village Drive; thence leaving said cul-de-sac and running with the boundary between Lots 19 and 20, S 29° 17' 07" W, 149.57 feet to an iron pin found at the intersection of said boundary of Lots 19 and 20 with the Northwesterly boundary of the Mara Purcell Branham property; thence with the Northwesterly boundary of the Mara Purcell Branham property, N 75° 11' 01" W, 49.07 feet to an iron pin found; thence leaving said boundary and running with the boundary between Lots 18 and 19, Block 134, of the City of Kingsport, N 25° 02' 39" E, 168.16 feet to an iron pin set at the intersection of said boundary with the ROW of a cul-de-sac at the terminus of Cherokee Village Drive; thence with said ROW by a curve to the right having a radius of 810.56 feet and an arc length of 1.06 feet to the PC of a new curve to the right having a radius of 19.30 feet and an arc length of 6.18 feet to the PT of the curve; thence S 28° 44' 54" E, 8.14 feet to the PC of a curve to the left having a radius of 43.13 feet and an arc length of 48.91 feet to the point of beginning, and containing 0.188 acres more or less, all as shown on a plat by Lawrence H. Emmert, Registered Land Surveyor Tennessee No. 1475, and recorded In Plat Book 53, Page 652 in the Office of the Register of Deeds for Sullivan County, at Blountville, Tennessee, to which reference is here made.

And being the same property conveyed to Eastern Eight Community Development Corporation from the Kingsport Housing and Redevelopment Authority by deed dated May 23, 2013, and recorded in the Register's Office for Sullivan County at Blountville, Tennessee, in Deed Book 3080 at page 317; to which reference is hereby expressly made.

This property is hereinafter referred to as the "E8 Property".

(C) The consideration for City purchasing the E8 Property shall be the exchange of the City Property to E8. The consideration for E8 purchasing the City Property shall be the exchange of the E8 Property to the City. There shall be no monetary consideration paid by either party to the other for the conveyance of either property.

SECTION 2. PROPERTY EXCHANGED "AS IS".

Except as otherwise provided specifically in this Agreement, (a) City conveys the City Property to E8, and (b) E8 conveys the E8 Property to City "AS IS, "WHERE IS AND WITH ALL FAULTS" WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED. CITY AND E8 ACKNOWLEDGE AND AGREE EACH

TO THE OTHER THAT CITY, IN THE CASE OF THE CITY PROPERTY AND E8 IN THE CASE OF THE E8 PROPERTY, IS UNDER NO DUTY TO MAKE ANY INQUIRY REGARDING ANY MATTER THAT MAY OR MAY NOT BE KNOWN TO CITY OR ANY REPRESENTATIVE OF CITY OR MAY OR MAY NOT BE KNOWN TO E8 OR ANY REPRESENTATIVE OF E8. Each party shall complete its own independent investigation of the City Property and the E8 Property for determining the condition and suitability of each party's respective or anticipated use. Each party acknowledges and agrees to the other that City is acquiring the E8 Property and E8 is acquiring the City Property based on such independent investigation. Notwithstanding the foregoing each party represents to the other party that there are no hazardous substance, as hereinafter defined, on, under, around or released from the City Property or the E8 Property or improvements thereon. Each party shall pay and discharge all monetary encumbrances, against their respective properties prior to the Closing. Failure of a party to do so entitles the other party to terminate this Agreement and refuse to close the sale and exchange of properties contemplated hereby. The term "hazardous substance" shall have the broadest meaning given under applicable state and federal law, including without limitation that given in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. section 9601 et seq., and shall include "hazardous waste" as defined in Title 42 U.S.C. §6903 (or the corresponding provision of any future law) and "petroleum" as defined in Title 42 §6991 (or the corresponding provision of any future law). Incoming power and other utilities for the City Property conveyed to E8 is the responsibility of E8, as is any water or sewer tap or fee related thereto. The provisions of this Section 2 shall survive the Closing, or, if the Closing does not occur, the termination of this Agreement.

SECTION 3. EXCHANGE OF INFORMATION.

City shall deliver to E8 and E8 shall deliver to City, within fifteen (15) days from the Effective Date, the following documents, if in such party's possession or control, relating to the City Property in the case of City and the E8 Property in the case of E8: (a) all plans and specifications; (b) all architectural and engineering reports; (c) all environmental studies or reports; (d) documentation relating to any claims or litigation relating to the City Property or the E8 Property for the previous three years; (e) all surveys and (f) all books and records relating to the City Property or the E8 Property. Each party agrees and acknowledges to the other that neither party has verified the accuracy of the documents or information provided to the other under this Section 3. If this Agreement is terminated or Closing is not completed for any reason, all written information provided by City to E8 or provided by E8 to City shall be returned to the other party promptly upon the other party's request. The provisions of this Section 3 shall survive the termination of this Agreement.

SECTION 4. CLOSING.

Unless extended as otherwise provided in this Agreement, the parties shall close the exchange of properties contemplated by this Agreement on or before ninety (90) days after the Effective Date, or such other date to which the parties mutually agree (hereinafter "Closing") at the Office of the City Attorney, City of Kingsport, 1324 Midland Drive, Kingsport, Tennessee, or at such other place as the parties shall mutually agree, at a time designated by City. Each party shall pay the cost of preparation of the quitclaim deed for the property that party is conveying to the other party, its own attorney's fees, the cost of any title examination and title insurance, any survey or environmental study or assessment, and all recording fees and taxes to record the quitclaim deed given to that party. At the Closing each party shall pay to the other party any ad valorem or other property taxes, if any or if applicable, for all taxing authorities in whose jurisdiction the property being conveyed lies prorated as of midnight immediately preceding the date of Closing. At the Closing, each party shall deliver or provide to the other party the following, all of which shall be duly executed and acknowledged and in recordable form where required:

(1) A quitclaim deed from that party to the other party conveying good and marketable fee simple title to the property to other the party in a form satisfactory to the acquiring party's counsel and title company, free and clear of liens and encumbrances, except for the Permitted Exceptions and matters which are in the public records recorded in the Office of the Register of Deeds for Sullivan County, Tennessee and the following building restrictions:

- (a) Only a wood framed single family house with at least 1,000 square feet of living area with at least 3 bedrooms and 2 baths can be constructed or erected on the property;
- (b) The exterior materials of the house must be brick, wood siding, or vinyl siding in a wood siding pattern;
- (c) The house must include a front porch area with handrails and railings, and any open areas of the crawl space shall be covered in lattice or other finish and/or painted material;
- (d) The exterior of the house should include two paint colors and a differing trim color;
- (e) Decorative landscaping shall be provided at the foundation perimeter in the front yard;
- (f) Concrete sidewalks shall be provided to each entrance of the house; and

- (g) All driveway areas must be paved with asphalt or concreted, and there will be no parking areas in the front yard.
- (2) Pay any and all applicable transfer taxes required by applicable law;
- (3) Release of any mortgages and deeds of trust in recordable form for any mortgages or deeds of trust encumbering the property being conveyed at the time of Closing (or written confirmation from any mortgagee that upon receipt of the payoff amount the mortgages and deeds of trust shall be released);
- (4) Such instruments, certificates, affidavits, or documents as shall be reasonably required by City or E8, as the case may be, or its title insurance company as a condition to insuring such party's title to the property, including that there are no parties in possession of the property, and that will permit the title insurance company to delete the standard, pre-printed exceptions, identified in the title commitment, from the title policy, provided that the conveying party shall not be required to pay any costs or fees associated with any document required by the title company, and any other such documents to effect the intention of the parties;
- (5) As applicable (a) a certified copy of a resolution of the board of directors of E8 authorizing the exchange of the E8 Property for the City Property and identifying the officer with authority to execute the deed and consummate the sale and exchange, and (b) a certified copy of a resolution of the Board of Mayor and Aldermen of City authorizing the exchange of the City Property for the E8 Property and identifying the officer with authority to execute the deed and consummate the sale and exchange;
- (6) Certificate of non-foreign status of each party pursuant to Section 1445(1)(3) of the Internal Revenue Code;
- (7) A closing statement;
- (8) Such documents as may be reasonable and necessary in the opinion of counsel for each party to consummate this Agreement; and;
- (9) Deliver possession of the property being conveyed to the other party.

SECTION 5. SURVEY.

Each party shall have the right, at its expense, to obtain a survey of the property that will be conveyed to that party, provided in it is completed sixty (60) days after the Effective Date. The survey shall be in a form and substance that is satisfactory to the party acquiring the survey, in its sole discretion. Without limiting the foregoing, the survey shall be in such form as may be required by a reputable title insurance company chosen by the party acquiring the survey to enable the title insurance company to delete its survey exception from its title commitment and policy, and will further show (a) any existing easements and utilities affecting or benefiting the property, all public rights of way adjacent thereto, the location of all improvements, encroachments, water courses, or fences on or adjacent to the property, if any, and (b) any proposed detention or retention basins as may be indicated on any plans of record or required by any applicable jurisdictional authority. If the survey (i) is, for good cause, not acceptable to party's title insurance company; or (ii) shows the dimensions of the property to be other than those generally set forth in the description set out in Section 1 above; or (iii) shows any materially adverse conditions or matters affecting the property that are not approved by the party acquiring the survey, then such party, within twenty (20) days from receipt of such survey, shall notify the other party in writing of objection to the survey by the party acquiring the survey and the other party shall thereupon have twenty (20) days to remove or cure such objections to the satisfaction of party acquiring the survey and the title company. If the other party fails to satisfy such objections within the time specified, the party acquiring the survey shall have the right to (i) terminate this Agreement and shall have no further duty or obligation to the other party; (ii) extend the time period for removing or curing any objectionable item by written notice to the other party; or (iii) waive the objection or objections and proceed to Closing pursuant to this Agreement.

SECTION 6. TITLE INSURANCE.

Each party shall have the right, for its use and at its expense, to secure from a title insurance company selected by that party an owner's title insurance commitment to issue an owner's title insurance policy insuring that party's fee simple interest in the property it is acquiring under this Agreement, subject only to (a) exceptions for real estate taxes and assessments for the current year that are not yet due and payable, (b) those matters that will be discharged by the respective owner at or prior to Closing, and (c) any other exceptions the party acquiring the insurance may approve in writing (collectively "Permitted Exceptions") as shown in Exhibit A, which may be attached hereto at a date after the Effective Date and the encumbrances and restrictions set out in Section 4 herein. The title insurance commitment will be issued by a reputable title insurance company chosen by the party acquiring the insurance. If the commitment contains exceptions other than the Permitted Exceptions, not acceptable to the party, then such party shall so notify the other party of such exceptions within twenty (20) days of the receipt of the commitment by the party acquiring the insurance, and the other party shall have twenty (20) days from receipt of the exceptions to resolve such exceptions to the

satisfaction of the party acquiring the insurance. If the exception is not cured or resolved to the sole satisfaction of the party acquiring the insurance within the time specified, the party acquiring the insurance shall have the right to (i) terminate this Agreement and shall have no further duty or obligation to the other party; (ii) extend the time period for removing or curing any objectionable item by written notice to the other party; or (iii) waive the exception or exceptions and proceed to Closing pursuant to this Agreement.

SECTION 7. FEASIBILITY STUDY AND INSPECTIONS.

Each party, in its own discretion, shall determine that the property it is acquiring pursuant to this Agreement is suitable for the use for which it is being obtained. Each party shall each have the right, at its own expense, to conduct an inspection, environmental study or audit, a professional wetland delineation, professional floodplain analysis, grading and soil tests, feasibility and engineering studies, compaction and support studies, and any other inspections and/or tests that such party may deem necessary or advisable (hereinafter collectively the "Study") of the property it is acquiring for a period of sixty (60) days (hereinafter "Feasibility Period") after the Effective Date. The party conducting the Study and its agents, employees, contractors and representatives shall have at all reasonable times right of access to such property and shall be entitled to enter upon the property during the Feasibility Period in order to conduct the Study. Such activities of the Study shall not materially damage the property or unreasonably disrupt the other party's ongoing activity at the property. In the event of damage to or disruption of the property cause by the inspection or the Study, the inspecting party agrees to restore the property to substantially the same condition as existed prior to its access thereto. If as a result of such inspection or Study, the acquiring party determines in its sole and absolute discretion, that the property it is acquiring is unacceptable to that party for any reason whatsoever, such party shall have the unconditional right to terminate this Agreement, provided written notice of such is provided to the other party no later than ten (10) business days after the expiration of the Feasibility Period. If the terminating party provides written notice of cancellation to the other party no later than fifteen (15) business days after the expiration of the Feasibility Period, then this Agreement shall be cancelled, and thereafter neither party shall have any further liabilities, rights or obligations hereunder except those which expressly survive the termination of this Agreement.

SECTION 8. CONDITIONS PRECEDENT TO CITY'S PERFORMANCE.

(a) City's obligations under this Agreement are subject to the satisfaction (or waiver in writing by City) on or before the date of Closing each of the conditions precedent set out in this Section 8. City will have the right and option to extend this date for up to one (1) additional period of sixty (60) days, which shall extend the date of the Closing by the same period of time, provided City gives notice of any such extension before the expiration of the initial ninety (90) day period from the Effective Date for the Closing to occur. In addition to all other terms and conditions of this Agreement, City's obligations hereunder are made subject to the satisfaction of each of the following conditions precedent prior to Closing:

(1) The results of the title examination report on the E8 Property and title insurance commitment described in Section 6 shall be acceptable to City, in its sole discretion. There shall be no change in the matters reflected in the title insurance commitment, and there shall not exist any encumbrances or title defects affecting the E8 Property not described in such title insurance commitment.

(2) The results of any feasibility study, engineering and related inspections, and environmental testing described in Section 7 conducted by City on the E8 Property shall be acceptable to City, in its sole discretion.

(3) No material or substantial change shall have occurred with respect to the E8 Property which would in any way affect the findings made in the feasibility and engineering study described in Section 7, if such study is conducted by City.

(4) All of the representations of E8 set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing, and E8 shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions, obligations, or agreements on its part required by the terms of this Agreement or any other agreement or obligation affecting the E8 Property.

(5) There shall be no change in the matters reflected in a survey of the E8 Property obtained by City as authorized by Section 5, and there shall not exist any easement, right-of-way, encroachment, waterway, pond, flood plain, conflict, or a protrusion with respect to the E8 Property that is not shown on such survey, or recorded in the public records.

(6) City shall have determined that any and all improvements, structures, facilities and fixtures on the E8 Property are located entirely within the bounds of such property and that there are no encroachments upon such property by improvements or appurtenances on any property adjoining the E8 Property.

(7) City shall have determined in its sole discretion that the E8 Property is not a protected habitat for any endangered or protected species of plant, animal, or other living organism.

(b) If any condition precedent specified in this Section 8 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, City may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to E8, and upon such termination, neither party shall have any further obligation to the other hereunder.

SECTION 9. CONDITIONS PRECEDENT TO E8'S PERFORMANCE.

(a) E8's obligations under this Agreement are subject to the satisfaction (or waiver in writing by E8) of each of the conditions precedent set out in this Section 9 on or before the date of Closing. E8 will have the right and option to extend this date for up to one (1) additional period of sixty (60) days, which shall extend the date of Closing by the same period of time, provided E8 gives notice of any such extension before the expiration of the ninety (90) day period from the Effective Date for the Closing to occur. In addition to all other terms and conditions of this Agreement, E8's obligations hereunder are made subject to the satisfaction of each of the following conditions precedent prior to Closing:

(1) The results of the title examination report on City Property and title insurance commitment described in Section 6 shall be acceptable to E8, in its sole discretion. There shall be no change in the matters reflected in the title insurance commitment, and there shall not exist any encumbrances or title defects affecting the City Property not described in such title insurance commitment except the restrictions set out in Section 4 herein.

(2) The results of any feasibility study, engineering and related inspections, and environmental testing described in Section 7 conducted by E8 on the City Property shall be acceptable to E8, in its sole discretion.

(3) No material or substantial change shall have occurred with respect to City Property which would in any way affect the findings made in the feasibility and engineering study described in Section 7, if such study is conducted by E8.

(4) All of the representations of City set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing, and City shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions, obligations or agreements on its part required by the terms of this Agreement or any other agreement or obligation affecting the City Property.

(5) There shall be no change in the matters reflected in a survey of the City Property obtained by E8 as described in Section 5, and there shall not exist any easement, right-of-way, encroachment, waterway, pond, flood plain, conflict, or a protrusion with respect to the City Property that is not shown on such survey or recorded in the public records.

(6) E8 shall have determined that any and all improvements, structures, facilities and fixtures on the City Property are located entirely within the bounds of such property and that there are no encroachments upon such property by improvements or appurtenances on any property adjoining the City Property.

(7) E8 shall have determined in its sole discretion that the City Property is not a protected habitat for any endangered or protected species of plant, animal, or other living organism.

(b) If any condition precedent specified in this Section 9 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, E8 may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to City, and upon such termination, neither party shall have any further obligation to the other hereunder.

SECTION 10. DEED AND TITLE.

Each party hereby agrees to deliver good and marketable fee simple title to City Property and the E8 Property, as the case may be, subject to the exceptions, encumbrances, and restrictions set out in this Agreement, by a quitclaim deed, suitable for recordation and satisfactory to the grantee's title company and grantee's counsel. In the event, as of the date of Closing, either party is unable to convey title to the property it is conveying due to defects in its title, then the Closing of this transaction shall be postponed for a reasonable period of time not to exceed thirty (30) days to provide that party an opportunity to remove such said title defects. If the conveying party refuses or is unable to cure such title defects within said thirty (30) days, this Agreement shall be null and void, and there shall be no further obligations between the parties, provided however, if the party acquiring the property waives such title defects by so notifying the other party in writing within such thirty (30) day period, or if the conveying party shall have cured such defects, as provided herein, the obligations of the parties hereunder shall not be affected by reason thereof, and this transaction shall be consummated in accordance with the terms and provisions of this Agreement, except that such title defects that are waived by the party acquiring the property, if any, shall be set forth as exceptions in the quitclaim deed.

SECTION 11. CITY'S WARRANTIES, REPRESENTATIONS AND COVENANTS.

City hereby represents and warrants to E8 that the following matters are true and correct on the Effective Date and at the time of Closing:

(1) It has title to the City Property free and clear of all liens, encumbrances, covenants, restrictions, right-of-way, easements, and any other matters affecting title except for matters which are in the public records recorded in the Office of the Register of Deeds for Sullivan County, Tennessee, the restrictions set out in Section 4 herein, and the Permitted Exceptions.

(2) It will not enter into any agreement, commitment or other undertaking which may affect title to the City Property.

(3) Except as disclosed in this Agreement, it has no information or actual knowledge of any change contemplated in any applicable laws, ordinances, or restrictions, or any judicial or administrative action, or any action by adjacent land owners, or natural or artificial conditions upon the property, or any other fact, circumstance or condition, financial or otherwise, which would prevent, limit, impede, or render more costly E8's intended use of the City Property, if such use is set out in this Agreement.

(4) It has entered into no agreement to sell or lease the City Property, or any portion thereof, nor has it granted any option for the sale or lease of the City Property, or any portion thereof, or right of first refusal or right of first offer with respect thereto.

(5) It has no knowledge of pending or contemplated condemnation proceedings affecting the City Property, the abutting streets, or any part thereof.

(6) It is not a party to any litigation with respect to the City Property, and knows of no litigation, threatened litigation or facts which might give rise to litigation affecting the City Property, and it shall give E8 prompt notice of the institution of any such litigation prior to Closing.

(7) It is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended, and as contemplated by the Foreign Investments in Real Property Tax Act, (Pub. L. No. 96-499), as amended by the Deficit Reduction Act of 1984, and E8 has no obligation to withhold and pay over to the U.S. Internal Revenue Service any part of the "amount realized" by City in the transaction contemplated hereby.

(8) The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by it at the Closing, and the performance of its duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the exchange of the properties as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under, any contract, agreement or other instrument to which City is a party, any judicial order or judgment of any nature by which it is bound.

(9) All necessary and appropriate municipal action has been taken by it authorizing and approving the execution of and entry into this Agreement, the execution and delivery by it of the documents and instruments to be executed by its representatives at the Closing, and the performance of its duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the sale and exchange of the properties as contemplated herein.

SECTION 12. E8'S WARRANTIES, REPRESENTATIONS AND COVENANTS.

E8 hereby represents and warrants to City that the following matters are true and correct on the Effective Date and at the time of Closing:

(1) It has title to the E8 Property free and clear of all liens, encumbrances, covenants, restrictions, right-of-way, easements, and any other matters affecting title except for matters which are in the public records recorded in the Office of the Register of Deeds for Sullivan County, Tennessee, the Permitted Exceptions are encumbrances to be released at Closing.

(2) It has not entered into any agreement, commitment or other undertaking which may affect title to the E8 Property.

(3) Except as disclosed in this Agreement, it has no information or actual knowledge of any change contemplated in any applicable laws, ordinances, or restrictions, or any judicial or administrative action, or any action by adjacent land owners, or natural or artificial conditions upon the property, or any other fact, circumstance or condition, financial or otherwise, which would prevent, limit, impede, or render more costly City's intended use of the E8 Property, if such use is set out in this Agreement.

(4) It has entered into no agreement to sell or lease the E8 Property, or any portion thereof, nor has it granted any option for the sale or lease of the E8 Property, or any portion thereof, or right of first refusal or right of first offer with respect thereto.

(5) It has no knowledge of pending or contemplated condemnation proceedings affecting the E8 Property, the abutting streets, or any part thereof.

(6) It is not a party to any litigation with respect to the E8 Property, and knows of no litigation, threatened litigation or facts that might give rise to litigation affecting the E8 Property (and it shall give to City prompt notice of the institution of any such litigation prior to Closing).

(7) It is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended, and as contemplated by the Foreign Investments in Real Property Tax Act (Pub. L. No. 96-499), as amended by the Deficit Reduction Act of 1984, and City has no obligation to withhold and pay over

to the U. S. Internal Revenue Service any part of the "amount realized" by E8 in the transaction contemplated hereby.

(8) The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by it at the Closing, and the performance of its duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the exchange of the properties as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under, any contract, agreement or other instrument to which E8 is a party, any judicial order or judgment of any nature by which it is bound.

(9) All necessary and appropriate corporate action has been taken by it authorizing and approving the execution of and entry into this Agreement, the execution and delivery by it of the documents and instruments to be executed by its representatives at the Closing, and the performance of its duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the sale and exchange of the properties as contemplated herein.

SECTION 13. NOTICE.

Any notice or demand on either party hereunder shall be deemed to have been given when mailed to the other party by United States Mail, postage prepaid at the addresses set forth below:

CITY:

City Manager
City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660

With copy to:

City Attorney
Kingsport City Hall
225 West Center Street
Kingsport, Tennessee 37660

E8

Eastern Eight Development Corporation
2214 East Watauga Avenue
Johnson City, Tennessee 37601

Attention:

SECTION 14. PRORATIONS.

The real property taxes, if any, for the current year shall be prorated as of the date of Closing.

SECTION 15. EXPENSES OF CITY.

In closing this transaction, City shall be solely responsible for payment of the following expenses:

- (1) All real estate taxes and assessments, if any, on the City Property accruing prior to the Closing;
- (2) The cost of preparation of the quitclaim deed for the City Property;
- (3) The cost of any title search and title insurance policy it elects to obtain for the E8 Property;
- (4) The cost of recording the deed for the E8 Property and any transfer tax associated with such deed;
- (5) Any fees charged in connection with any attorney or other advisor engaged by it in connection with the transactions contemplated by this Agreement;
- (6) The cost of the survey it elects to obtain pursuant to Section 5 herein;
- (7) The commission or fees charged by any real estate broker or agent retained or used by it in connection with this transaction;

SECTION 16. EXPENSES OF E8.

In closing this transaction, E8 shall be solely responsible for payment of the following expenses:

- (1) All real estate taxes and assessments on the E8 Property accruing prior to the Closing;
- (2) The cost of preparation of the quitclaim deed for the E8 Property;
- (3) The cost of any title search and title insurance policy it elects to obtain for the City Property;
- (4) The cost of recording the deed for the City Property and any transfer tax associated with such deed;
- (5) Any fees charged in connection with any attorney or other advisor engaged by it in connection with the transactions contemplated by this Agreement;
- (6) The cost of the survey it elects to obtain pursuant to Section 5 herein; and
- (7) The commission or fees charged by any real estate broker or agent retained or used by it in connection with this transaction.

SECTION 17. RISK OF LOSS.

The risk of loss or damage to either the City Property or the E8 Property by fire, vandalism, or other casualty shall remain with owner of the that property until Closing. In the event of any such loss or damage that occurs before Closing, this Agreement shall be voidable at the option of either party and upon the exercise of such option, neither party shall have any further duty or obligation to the other

under this Agreement. Should the parties elect to continue with the sale and exchange of the respective properties following such loss or damage that occurs before Closing, the current owner of the property that has incurred a loss or is damaged shall, at Closing, assign to the party acquiring the property all rights under any insurance policy or policies applicable to such loss or damage, if any. If action is necessary to recover under any casualty policy, the parties shall cooperate with each other in bringing such action in the name of the party as necessary to pursue the action.

SECTION 18. POSSESSION.

Possession of the properties shall be delivered to the party acquiring the property upon Closing in the same condition as it is now, subject to normal wear and tear, free and clear of the claims of any other person, except as otherwise set out in this Agreement.

SECTION 19. DEFAULT AND REMEDIES.

In the event of a default by a party under the terms of this Agreement, the non-defaulting party shall give the party in default written notice of the occurrence of such default and the defaulting party shall have thirty (30) days following its receipt of such notice to cure such default. If the default is not cured non-defaulting party shall be entitled to pursue all remedies available at law or in equity including an action for specific performance.

SECTION 20. TIME IS OF THE ESSENCE.

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

SECTION 21. MERGER CLAUSE; ENTIRE AGREEMENT; MODIFICATIONS.

All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, "setups", representation, or information, not embodied in this Agreement, made by the other party, or by any agent, employee, servant, or other person representing or purporting to represent either party. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein, and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

SECTION 22. POST CLOSING SURVIVAL.

Wherever in this Agreement City or E8 have agreed or promised to perform certain acts or otherwise where the context of this Agreement would require such performance or grants to occur after the Closing, then those agreements and covenants shall survive the Closing and continue to bind the parties.

SECTION 23. SEVERABILITY.

In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

SECTION 24. CONTROLLING LAW; VENUE; WAIVER OF JURY TRIAL.

This Agreement has been made and entered into under the laws of the State of Tennessee, and said laws shall control the interpretation thereof. Venue for any litigation concerning this Agreement shall be filed in the state or federal courts for Kingsport, Sullivan County, Tennessee. The parties waive any right to a trial by jury.

SECTION 25. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No member, official, or employee of City shall be personally liable to E8 in the event any provision of the Agreement is unenforceable, or there is any default or breach by Seller, or for any amount which may become due under the Agreement, or on any obligations under the terms of the Agreement.

SECTION 26. BINDING EFFECT AND ASSIGNMENT.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives and assigns, provided neither party shall assign their rights under this Agreement without the express written consent of the other party, which consent shall not be unreasonably withheld.

SECTION 27. MISCELLANEOUS PROVISIONS.

(A) All headings and sections of this Agreement are inserted for convenience only and do not form part of this Agreement or limit, expand, or otherwise alter the meaning of any provisions hereof.

(B) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

(C) This Agreement is intended to be solely for the benefit of the parties hereto and their respective successors and assigns, and the provisions of this Agreement are not intended to be, and shall not be construed, for the benefit of any third party.

(D) Each party has been represented by counsel and has had the opportunity to share in the drafting of this Agreement and, accordingly, this Agreement shall not be construed either for or against either party as the drafter.

(E) Unless this Agreement otherwise requires, the covenants hereof shall survive the transfer of title.

(F) The rights and remedies provided by this Agreement are cumulative in nature and are in addition to, and not in lieu of, any other rights afforded by law.

(G) This Agreement may not be modified except in writing executed by all of the parties.

(H) Where the circumstances require, the singular shall refer to the plural and the plural to the singular, and the use of one gender shall be applicable to all genders.

SECTION 28. FURTHER ACTS.

Each party hereto agrees to do, execute, acknowledge and deliver all such further acts, assignments, transfers, assurances, and instruments that may reasonably be required to fully effectuate the covenants, contingencies, and transactions contemplated in this Agreement.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Agreement in duplicate originals.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

SECTION IV. That due to the availability of tax appraisals, the low value of the properties, and the fact that Eastern Eight Community Development Corporation is nonprofit corporation that will use the development of the property, in part, as a training and educational program for at risk adults, appraisals on the properties are hereby waived.

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

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

ADOPTED this the 17th day of October, 2017.

JOHN CLARK, Mayor

ATTEST:

JAMES H. DEMMING, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney



Strengthening Communities Through the Creation and Preservation of Affordable Housing.

September 12, 2017

To Whom It May Concern:

Eastern Eight Community Development Corporation would like to take control of 101 Lee Street to further our Affordable Homeownership Program. By obtaining properties such as this we are able to offer quality and safe homes at an affordable price for low-income families seeking homeownership opportunities.

If you have any further questions or concerns, you may contact me at 423-232-2042 or sbaldwin@e8cdc.org.

Sincerely,

A handwritten signature in black ink that reads 'Steve R. Baldwin'.

Steve Baldwin

Interim Executive Director

**MINUTES OF THE REGULAR MEETING OF THE
KINGSPORT REGIONAL PLANNING COMMISSION**

City Hall Council Room
225 West Center St., Kingsport, TN 37660

April 16, 2015

7:00 p.m.

Members Present

Dennis Ward, Chairman
Dr. Mike McIntire, Vice Mayor
Buzzy Breeding
Dr. Heather Cook
John Moody
Mark Selby

Staff Present

Lynn Tully
Corey Shepherd
Ken Weems
Mark Haga
Jacob Grieb

Members Absent

Beverley Perdue
Dave Stauffer

Visitor's List

Linda Calvert

At 7:00 p.m., Chairman Dennis Ward called the meeting to order, welcomed the audience, introduced the commissioners and staff and summarized the meeting procedures. Chairman Ward asked for approval of the revised agenda. A motion was made by Commissioner Mike McIntire seconded by Commissioner Buzzy Breeding to approve the revised agenda as presented. The motion was approved unanimously 5-0. Chairman McIntire asked for any changes to the minutes of the work session held March 16, 2015 and the regular meeting held March 19, 2015. A motion was made by Commissioner Mark Selby seconded by Commissioner Mike McIntire to approve the minutes with a correction to the attendance of Dave Stauffer in the work session minutes. The motion was approved unanimously 5-0.

CONSENT AGENDA

04-01 3101 E Stone Drive Surplus Request – (15-401-00004)

The Planning Commission considered a request to recommend to the Kingsport Board of Mayor and Alderman that the property located at 3101 E Stone Drive be officially designated as surplus property. The property is located inside the corporate limits of the City of Kingsport, 10th Civil District of Sullivan County.

04-02 101 Lee Street Surplus Request - (15-401-00005)

The Planning Commission considered a request to recommend to the Kingsport Board of Mayor and Alderman that the property located at 101 Lee Street be officially designated as surplus property. The property is located inside the corporate limits of the City of Kingsport, 11th Civil District of Sullivan County.

04-03 Borden Alley Dedication– (15-401-00006)

The Planning Commission considered a request to accept the 19 foot right-of-way, located between Borden Street and Hale Street. The property is located inside the corporate limits of the City of Kingsport, 10th Civil District of Sullivan County.

04-04 Bond Chase Meadows Phase 3 – (15-201-00019)

The Planning Commission is requested to consider granting Final Subdivision Approval for Chase Meadows Phase 3 and accept an Irrevocable Letter of Credit for the remaining improvements associated with Chase Meadows Phase 3. The property is located inside the corporate limits of the City of Kingsport, 7th Civil District of Sullivan County.

All items were presented by Corey Shepherd. No items were removed. There being no additional questions a motion was made by Mike McIntire seconded by Heather Cook to approve the items. The motion was approved unanimously 6-0.

V. UNFINISHED BUSINESS

None

VI. NEW BUSINESS

04-05 2015 Community Development Annual Action Plan

The Kingsport Regional Planning Commission considered a request to recommend to the Board of Mayor and Alderman the 2015 Consolidated Plan for Housing and Community Development. Mark Haga presented the item. Mr. Haga stated NETN/SWVA Home Consortium is in the process of completing the 5year consolidated plan. Each entitlement city provides an action plan yearly, in cooperation with the consolidated plan. This current proposal is from a recommendation formed by the advisory committee which reviewed and discussed the programs last week. The programs must follow the National Objectives for low/moderate income persons.

Proposal is for funding of the following:

KAHR program at \$110,603

Learning Centers of KHRA \$26,945

CASA \$11,825

HOPE \$2500

South Central CDC - \$32,000

HOPE VI Project - \$70,100

Administration \$63,493

Totaling \$317,466

Mark Haga noted the Home Consortium Grant will add \$131,268 to our rehab/reconstruction program. Home consortium grant funds are not required to be heard by the Planning Commission however we like to point out these monies to the commission as they are used.

Mike McIntire stated he was Recusing as Carpenter's Helper is under his direct supervision at First Broad Street UMC.

No speakers but Linda Calvert was available to answer questions. There being no additional discussion a motion was made by Buzzy Breeding seconded by Mark Selby to approve the item. The item was approved 5-0-1 with Mike McIntire recusing.

VII. PUBLIC COMMENT (Speakers are limited to 5 minutes per item.)

VIII. OTHER BUSINESS

- 04-06** Receive a letter of resubdivision of the Osage Drive property, on Osage Drive.
- 04-07** Receive a letter of resubdivision of the Harkleroad and Byrd property, on Rock City Road.
- 04-08** Receive a letter of resubdivision of the Hawk property, on Rock City Road.
- 04-09** Receive a letter of resubdivision of the Fort Robinson Addition on Bent Court.
- 04-10** Receive a letter of resubdivision of the Kingsport Pavilion Property on Sierra Drive.
- 04-11** Receive, for informational purposes only, the March 2015 report from the Building Division.
- 04-12** Receive, for informational purposes only, the March 2015 New Business report.

IX. ADJOURNMENT

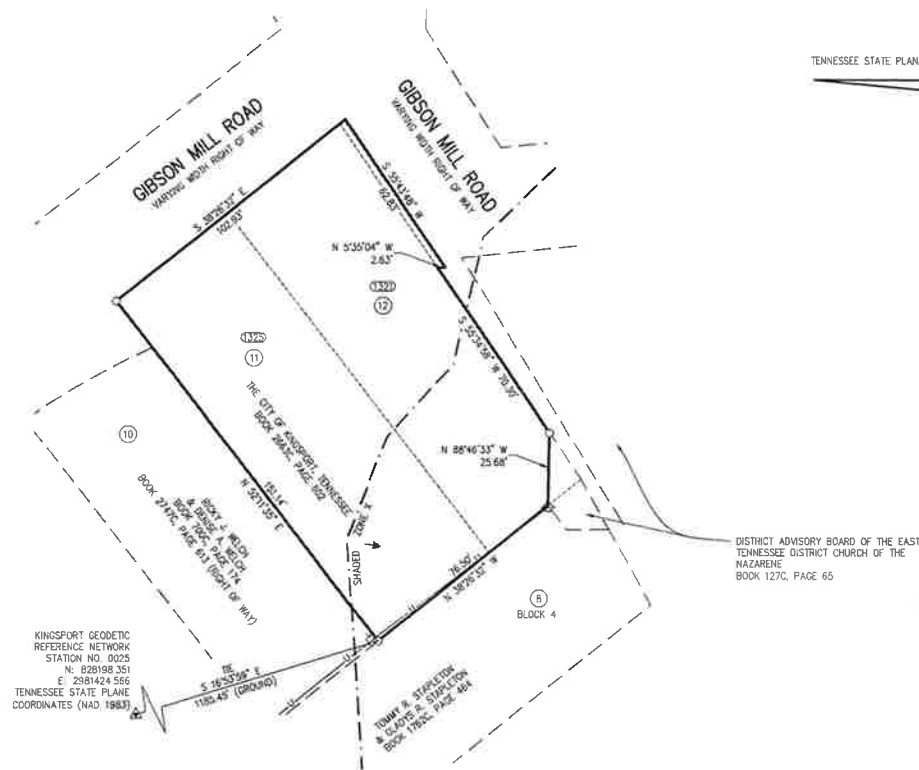
Lynn Tully gave a legislative update.

There being no further business, a motion was made by Mike McIntire and seconded by Buzzy Breeding to adjourn the meeting at approximately 7:37 pm. This motion passed unanimously, 5-0.

Respectfully Submitted,

Chanya Lynn Tully, AICP, Planning Commission Secretary

TENNESSEE STATE PLANE GRID NORTH



BEFORE

LEGEND

- 1/2" DIAMETER IRON FOUND (EXCEPT AS NOTED)
- 1/2" DIAMETER IRON ROD SET (WITH IDENTIFICATION CAP)
- DRILL HOLE MADE IN CONCRETE SIDEWALK THIS SURVEY
- UTILITY POLE
- TELEPHONE POLE
- OVERHEAD UTILITY LINES
- FLOODPLAIN OR FLOODWAY BOUNDARIES SCALED FROM FLOOD INSURANCE RATE MAP
- UNSURVEYED LINES DRAWN BY DEED DESCRIPTION
- ORIGINAL LOT LINES OF BLOCK 4, CEDAR VIEW ADDITION TO KINGSFORT TENN. PLAT BOOK 1, PAGES 140 & 152
- ORIGINAL LOT NUMBERS OF BLOCK 4, CEDAR VIEW ADDITION TO KINGSFORT TENN. PLAT BOOK 1, PAGES 140 & 152
- ① E911 ADDRESS

FLOOD CERTIFICATION:

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP AND FOUND A PORTION OF THE SUBJECT PROPERTY TO BE LOCATED IN SHADED ZONE X, AREAS OF 2% ANNUAL CHANCE FLOOD. AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD

FIRM MAP # 47163CD0450
SULLIVAN COUNTY, TENNESSEE AND INCORPORATED AREAS
EFFECTIVE DATE: SEPTEMBER 29, 2006

ZONING:

SETBACKS TO CONFORM WITH ALL CURRENT APPLICABLE ZONING RESTRICTIONS

PROPERTY IS CURRENTLY ZONED CITY OF KINGSFORT R18
SETBACKS: 30' FRONT, 8' SIDE, 30' REAR

MONUMENTATION:

ALL CORNERS ARE MARKED AS SHOWN

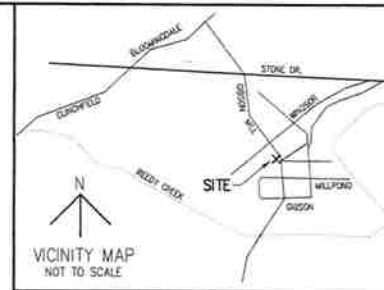
RECORDING DATA:

PROPERTY RECORDED AT BOOK 26530, PAGE 802 AND IS SHOWN ON TAX MAP 460, GROUP A, PARCEL 23

Mattern & Craig
CONSULTING ENGINEERS • SURVEYORS
429 CLAY STREET
KINGSFORT, TENNESSEE 37660
(423) 245-4970
FAX (423) 245-5932



I HEREBY CERTIFY THAT THIS IS A CATEGORY 1 SURVEY. WAS DONE IN COMPLIANCE WITH CURRENT TENNESSEE MINIMUM STANDARDS OF PRACTICE AND THE RATIO OF PRECISION OF THE UNADJUSTED SURVEY IS 1:47892



Slide A-1021

07/24/2014 - 12:12:29 PM

14012494

1. POS. AL. PLAT BATCH: 6818E

PLAT BOOK: P54

PAGE: 462-462

REG. FEE	15.00
DP FEE	2.00
AMT. FEE	0.00
TOTAL	17.00

STATE OF TENNESSEE, SULLIVAN COUNTY

REGISTERED PROFESSIONAL

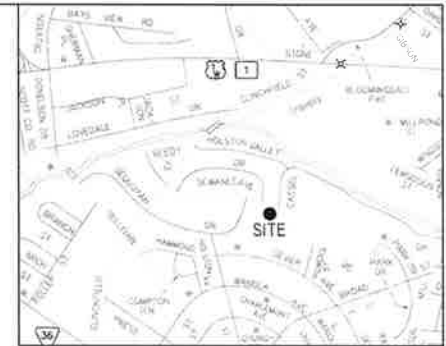
DISTRICT ADVISORY BOARD OF THE EAST TENNESSEE DISTRICT CHURCH OF THE NAZARENE
BOOK 127C, PAGE 65

AFTER

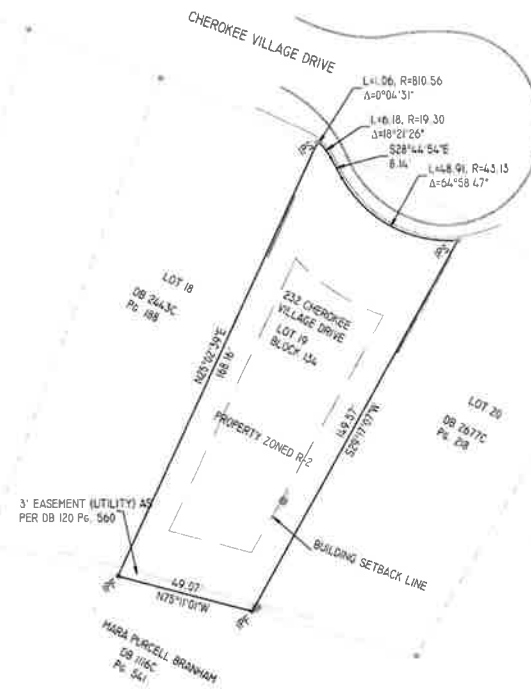
FINAL PLAT SUBDIVISION OF

LOTS 11 & 12, BLOCK 4,
CEDAR VIEW ADDITION TO
KINGSFORT TENN.
PLAT BOOK 1, PAGE 152
11th CIVIL DISTRICT
SULLIVAN COUNTY, TENNESSEE

<p>CERTIFICATION OF APPROVAL OF STREET LIGHTING SYSTEM</p> <p>I HEREBY CERTIFY THAT THE STREET LIGHT SYSTEM DESIGNED FOR THIS SUBDIVISION COMPLES WITH THE CITY OF KINGSFORT'S POLICES ON ROADWAY LIGHTING WITHIN THE CITY OF KINGSFORT, AND ANY REQUIRED CHANGES FOR THE PURCHASE AND INSTALLATION HAVE BEEN MET</p> <p>DATE: 7/17/14</p> <p>TRAFFIC ENGINEERING MANAGER</p>	<p>CERTIFICATION OF APPROVAL OF PUBLIC WATER SYSTEM</p> <p>I HEREBY CERTIFY THAT THE PUBLIC WATER UTILITY SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE KINGSFORT WATER UTILITY SYSTEM AND IS HEREBY APPROVED AS SHOWN.</p> <p>DATE: JUNE 17, 2014</p> <p>AUTHORIZING AGENT</p>	<p>CERTIFICATION OF APPROVAL FOR 911-ADDRESSING ASSIGNMENT</p> <p>I HEREBY CERTIFY THAT THE ADDRESSES, AS NOTED ON THE FINAL PLAT, ARE APPROVED AS ASSIGNED.</p> <p>DATE: JUNE 5, 2014</p> <p>CITY CLERK</p>																
<p>CERTIFICATE OF OWNERSHIP AND DEDICATION</p> <p>(I/WE) HEREBY CERTIFY THAT I (AM/WE ARE) THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT (I/WE) HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY(OUR) FREE CONSENT, ESTABLISH THE BOUNDING LINES, AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS, AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE, AS NOTED.</p> <p>OWNER: [Signature]</p> <p>DATE: 7/17/14</p>	<p>CERTIFICATE OF ACCURACY</p> <p>I HEREBY CERTIFY THAT THE PLAN SHOWN AND DESCRIBED HEREON IS A TRUE AND CORRECT SURVEY TO THE ACCURACY REQUIRED BY THE KINGSFORT, TENNESSEE REGIONAL PLANNING COMMISSION AND THE MONUMENTS HAVE BEEN PLACED AS SHOWN HEREON.</p> <p>DATE: 7-10-14</p> <p>REGISTERED LAND SURVEYOR</p>	<p>CERTIFICATION OF THE APPROVAL OF STREETS AND STORM WATER SYSTEMS</p> <p>I HEREBY CERTIFY:</p> <ol style="list-style-type: none"> THAT CONSTRUCTION PLANS HAVE BEEN APPROVED THAT STREETS AND STORM WATER SYSTEMS HAVE BEEN INSTALLED IN AN ACCEPTABLE MANNER AND ACCORDING TO THE SPECIFICATIONS THAT ADEQUATE RIGHTS-OF-WAY DEDICATION UPON AN EXISTING ROAD SHALL SERVE THESE LOTS AS APPROVED <p>DATE: 7/17/14</p> <p>CITY ENGINEER OR COUNTY ROAD COMMISSIONER</p>																
<p>CERTIFICATION OF APPROVAL OF SEWERAGE SYSTEM</p> <p>I HEREBY CERTIFY THAT THE SEWERAGE DISPOSAL SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE TENNESSEE DEPARTMENT OF ENVIRONMENT & CONSERVATION AND IS HEREBY APPROVED AS SHOWN.</p> <p>DATE: JUNE 17, 2014</p> <p>TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION</p>	<p>CERTIFICATE OF APPROVAL FOR RECORDING</p> <p>I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS FOR KINGSFORT, TENNESSEE WITH THE EXCEPTION OF SUCH VARIANCES, IF ANY, AS ARE NOTED IN THE MINUTES OF THE PLANNING COMMISSION MEETING THAT IT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE SULLIVAN COUNTY REGISTER, IF REQUIRED, A SURETY BOND IN THE AMOUNT OF \$1,000.00 HAS BEEN POSTED WITH THE KINGSFORT REGIONAL PLANNING COMMISSION TO SECURE ADJUDICATION OF ALL DISPUTED MONUMENTS IN CASE OF DEFAULT.</p> <p>DATE: 7/15/14</p> <p>KINGSFORT REGIONAL PLANNING COMMISSION</p>	<p>KINGSFORT REGIONAL PLANNING COMMISSION</p> <table border="1"> <tr> <td>TOTAL ACRES</td><td>0.242</td><td>TOTAL LOTS</td><td>1</td></tr> <tr> <td>ACRES NEW ROAD</td><td>0</td><td>MILES NEW ROAD</td><td>0</td></tr> <tr> <td>OWNER THE CITY OF KINGSFORT, TENNESSEE</td><td></td><td>CIVIL DISTRICT</td><td>11TH</td></tr> <tr> <td>SURVEYOR DAVID L. BARR</td><td></td><td>CLOSURE ERROR</td><td>1:47892</td></tr> </table> <p>SCALE 1" = 30'</p>	TOTAL ACRES	0.242	TOTAL LOTS	1	ACRES NEW ROAD	0	MILES NEW ROAD	0	OWNER THE CITY OF KINGSFORT, TENNESSEE		CIVIL DISTRICT	11TH	SURVEYOR DAVID L. BARR		CLOSURE ERROR	1:47892
TOTAL ACRES	0.242	TOTAL LOTS	1															
ACRES NEW ROAD	0	MILES NEW ROAD	0															
OWNER THE CITY OF KINGSFORT, TENNESSEE		CIVIL DISTRICT	11TH															
SURVEYOR DAVID L. BARR		CLOSURE ERROR	1:47892															



VICINITY MAP
NOT TO SCALE



NOTES:

1. BEARINGS ARE BASED ON KINGSFORT GEODETIC REFERENCE NETWORK (KGRN)

2. DEED REFERENCE:
DB 2677C
Pg. 241

3. PROPERTY ZONED R-2
FRONT SETBACK - 30'
SIDE SETBACK - 10'
REAR SETBACK - 20'

4. THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL INSURANCE ADMINISTRATION FLOOD HAZARD BOUNDARY MAP 47018C0045D AND FOUND THE PROPERTY PLATTED HEREON DOES NOT LIE WITHIN A SPECIAL FLOOD HAZARD AREA.

5. UTILITY PROVIDERS:
WATER: CITY OF KINGSFORT
SEWER: CITY OF KINGSFORT
TELEPHONE: CENTURY LINK
ELECTRIC: AMERICAN ELECTRIC POWER, KINGSFORT POWER COMPANY
CABLE: CHARTER COMMUNICATIONS

6. 232 CHEROKEE VILLAGE DRIVE - 911 ADDRESS

7. EASEMENTS:
3' POWER LINE EASEMENT ALONG REAR OF LOT 19

8. PROPERTY CORNERS SET OR FOUND AS NOTED

<p>CERTIFICATION OF OWNERSHIP AND DEDICATION</p> <p>I HEREBY CERTIFY THAT I AM/WE ARE THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I/WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH ALL ITS FIRST CONSENT, ESTABLISH THE BUILDING LINES AND SPECIFY ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED</p> <p>DATE: _____</p> <p>SIGNER: _____</p>	<p>CERTIFICATION OF THE APPROVAL FOR 911 ADDRESSING ASSIGNMENT</p> <p>I HEREBY CERTIFY THAT THE ADDRESSES AS NOTED ON THE FINAL PLAT ARE APPROVED AS REQUESTED</p> <p>DATE: _____</p> <p>CITY CLERK OR KINGS COUNTY CLERK OR 911 ADDRESSING, OR HIS/HER AUTHORIZED REPRESENTATIVE</p>
---	--

<p>CERTIFICATE OF ACCURACY</p> <p>I HEREBY CERTIFY THAT THE PLAN SHOWN AND DESCRIBED HEREON IS A TRUE AND CORRECT SURVEY TO THE ACCURACY REQUIRED BY THE KINGSFORT REGIONAL PLANNING COMMISSION AND THAT THE MONUMENTS HAVE BEEN PLACED AS SHOWN HEREON</p> <p>DATE: _____</p> <p>REGISTERED LAND SURVEYOR</p>	<p>CERTIFICATION OF THE APPROVAL OF STREETS</p> <p>I HEREBY CERTIFY THAT THE STREETS HAVE BEEN INSTALLED IN AN ACCEPTABLE MANNER AND ACCORDING TO CITY REGULATIONS OR PLANNING COMMISSION OR HIS/HER AUTHORIZED REPRESENTATIVE</p> <p>DATE: _____</p> <p>CITY ENGINEER OR COUNTY ROAD COMMISSIONER</p>	<p>CERTIFICATION OF THE APPROVAL OF SEWAGE SYSTEM</p> <p>I HEREBY CERTIFY THAT THE SEWAGE DISPOSAL SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION AND IS HEREBY APPROVED AS SHOWN</p> <p>DATE: _____</p> <p>TELEPHONE DEPARTMENT OF ENVIRONMENT AND CONSERVATION</p> <p>KINGSFORT AUTHORITY AGENT</p>	<p>CERTIFICATION OF THE APPROVAL OF PUBLIC WATER SYSTEM</p> <p>I HEREBY CERTIFY THAT THE PUBLIC WATER UTILITY SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE KINGSFORT WATER UTILITY SYSTEM AND IS HEREBY APPROVED AS SHOWN</p> <p>DATE: _____</p> <p>AUTHORITY AGENT</p>	<p>CERTIFICATION OF APPROVAL FOR RECORDING</p> <p>I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN PREPARED TO COMPLY WITH THE SUBDIVISION REGULATIONS FOR KINGSFORT, TENNESSEE, WITH THE EXCEPTION OF SUCH VARIANCES, IF ANY, AS ARE NOTED IN THE RESULTS OF THE PLANNING COMMISSION AND SHALL BE FILED WITHIN APPROVED (15) DAYS OF THE DATE OF THE PLANNING COMMISSION MEETING</p> <p>IF REQUIRED A SURVEY IS TO BE SUBMITTED TO THE PLANNING COMMISSION TO ASSURE COMPLETION OF ALL REQUIRED IMPROVEMENTS IN CASE OF DEFAULT</p> <p>DATE: _____</p> <p>SECRETARY, KINGSFORT REGIONAL PLANNING COMMISSION</p>	<p>REMAINDER OF LOT 19 BLOCK 134 CHEROKEE VILLAGE</p> <p>KINGSFORT REGIONAL PLANNING COMMISSION</p> <table border="1"> <tr> <td>TOTAL ACRES: 0.188</td> <td>TOTAL LOTS: N/A</td> </tr> <tr> <td>ACRES NEW ROAD: N/A</td> <td>MILES NEW ROAD: N/A</td> </tr> <tr> <td>OWNER: CITY OF KINGSFORT</td> <td>CIVIL DISTRICT: 11TH</td> </tr> <tr> <td>SURVEYOR: LAWRENCE EMMERT</td> <td>CLOSURE ERROR: 1:10,000</td> </tr> </table> <p>SCALE: 1" = 30'</p>	TOTAL ACRES: 0.188	TOTAL LOTS: N/A	ACRES NEW ROAD: N/A	MILES NEW ROAD: N/A	OWNER: CITY OF KINGSFORT	CIVIL DISTRICT: 11TH	SURVEYOR: LAWRENCE EMMERT	CLOSURE ERROR: 1:10,000
TOTAL ACRES: 0.188	TOTAL LOTS: N/A												
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OWNER: CITY OF KINGSFORT	CIVIL DISTRICT: 11TH												
SURVEYOR: LAWRENCE EMMERT	CLOSURE ERROR: 1:10,000												



GIROUX DESIGNgroup

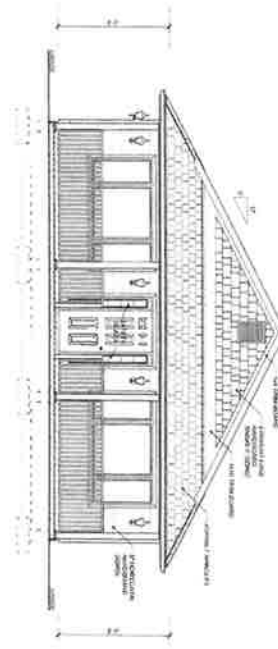
Quality Home and Building Design Since 1950.



195001
SLAB FOUNDATION

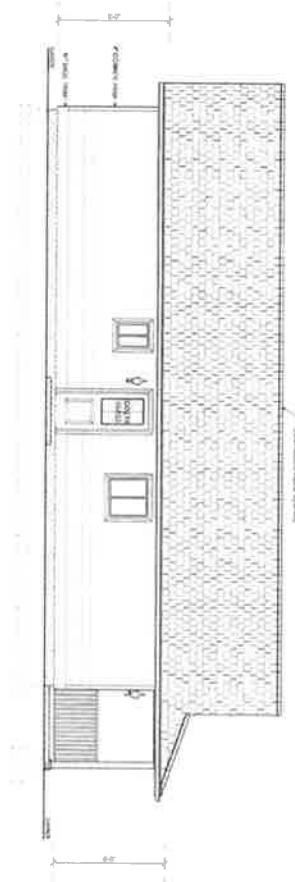
www.girouxdesigngroup.com



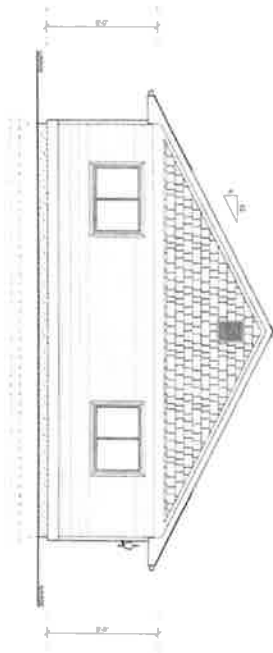


FRONT ELEVATION
SCALE: 1/4" = 1'-0"

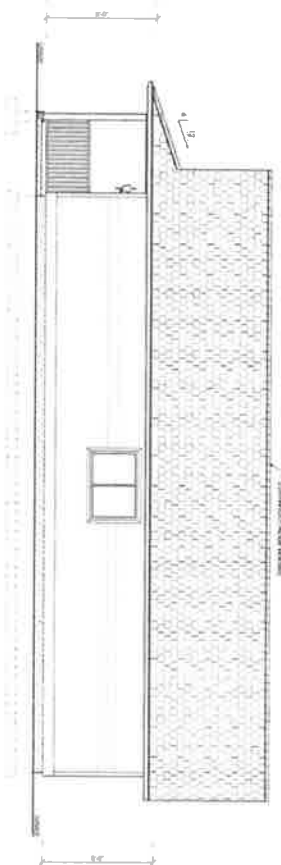
SCALE: 1/4" = 1'-0"



LEFT ELEVATION

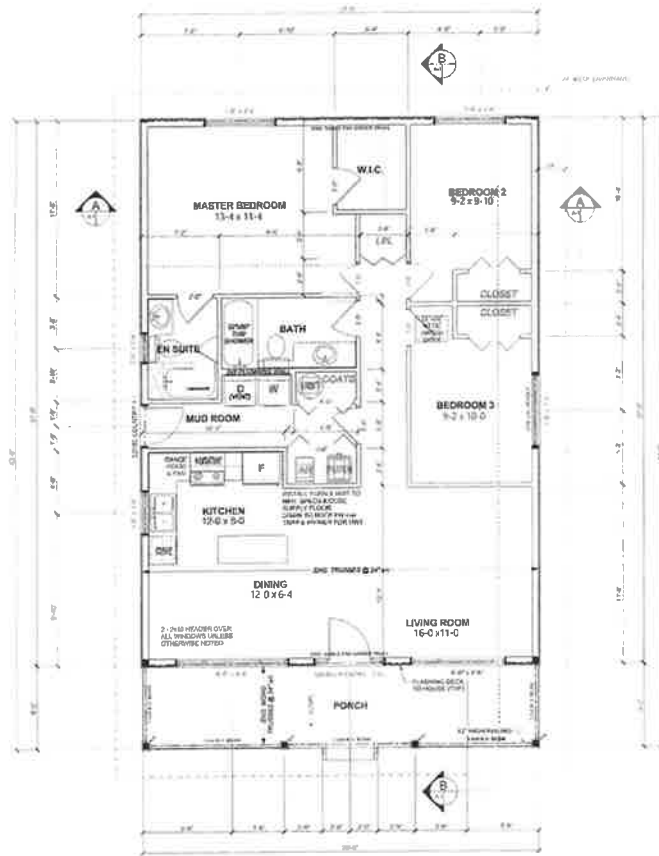


REAR ELEVATION

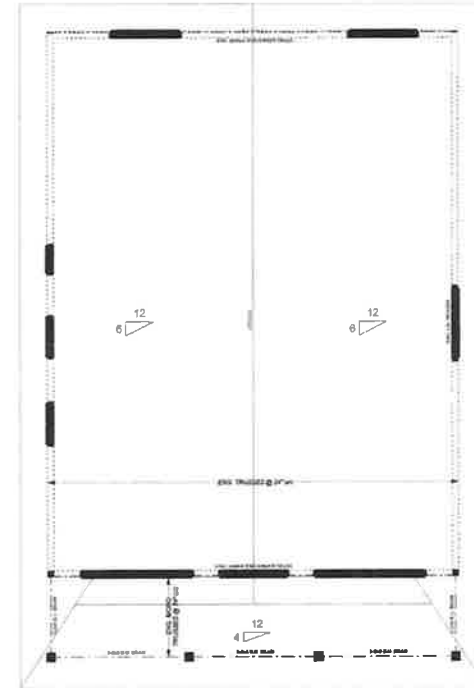


RIGHT ELEVATION

Exterior Elevations



MAIN FLOOR PLAN
 SCALE: 1/4" = 1'-0"
 LIVING AREA: 1073 sq ft
 PORCH AREA: 180 sq ft



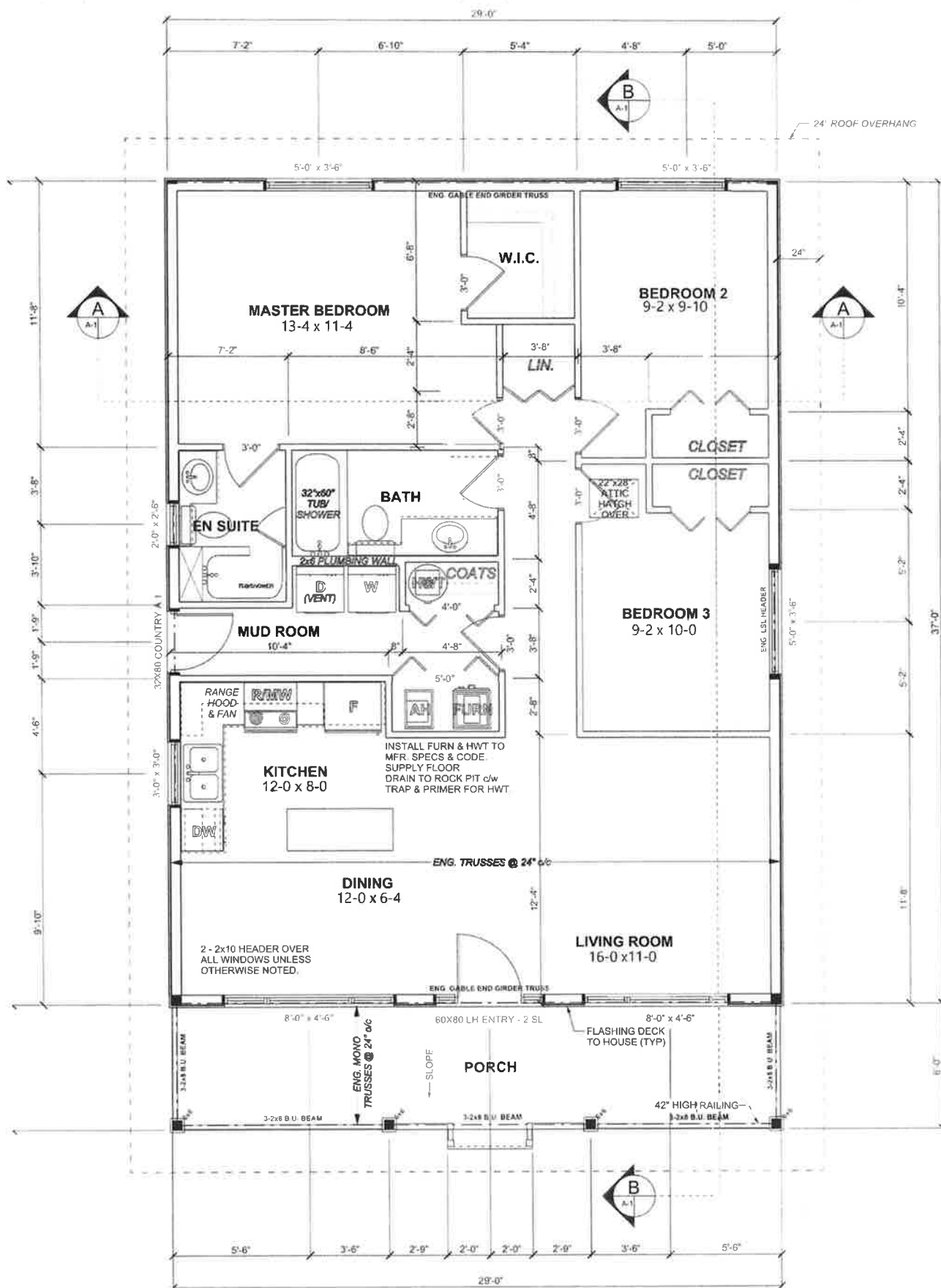
ROOF SYSTEM LAYOUT
 ROOF AREA: 2017 sq ft
 PRIMARY ROOF PITCH: 6/12
 SECONDARY ROOF PITCH: 4/12
 ROOF OVERHANG: 24"
 HEEL HEIGHT: 6"

GIROUX DESIGN GROUP
 Custom Home and Building Design Group Since 1950
 10000 10th Avenue W., Edmonton, BC, V6A 9C2 Canada, T 780 770 3395
 Email: info@girouxdesigngroup.com Web: www.girouxdesigngroup.com

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PLAN NO.
195001

SHEET NO.
A-2

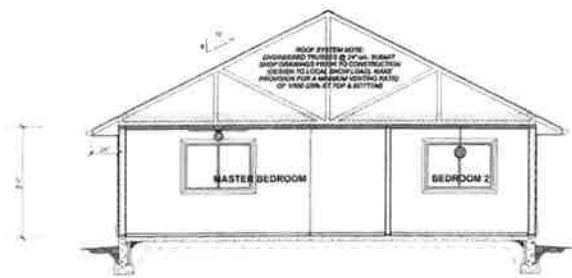


MAIN FLOOR PLAN

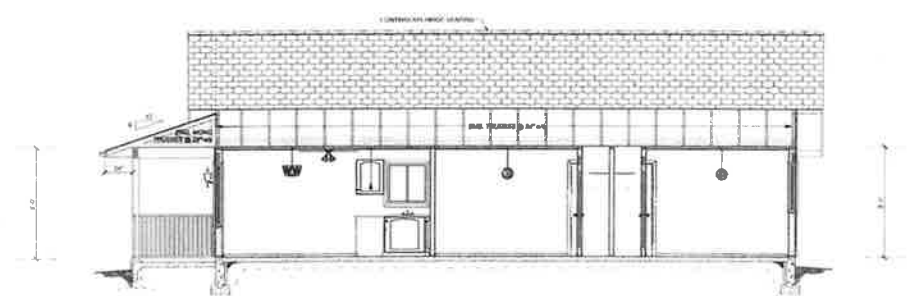
SCALE: 1/4" = 1'-0"

LIVING AREA: 1073 sq. ft.

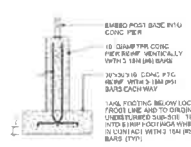
PORCH AREA: 180 sq. ft.



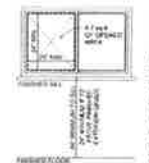
CROSS SECTION 'A'
SCALE 1/4" = 1'-0"



CROSS SECTION 'B'
SCALE 1/4" = 1'-0"

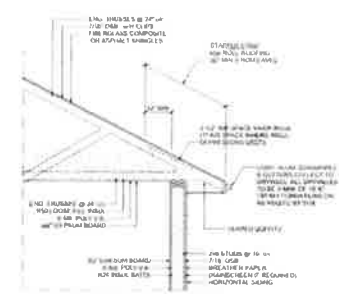


CONCRETE PIER & PAD DETAIL
SCALE 1/2" = 1'-0"

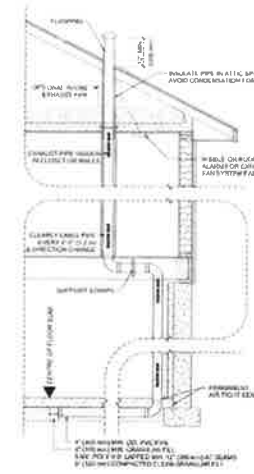


EMERGENCY EGRESS DETAIL
SCALE 1/2" = 1'-0"

DESIGN LOADS	ROOF	FLOOR	DECK
LIVE LOAD (PSF)	20	40	40
DEAD LOAD (PSF)	10	10	10
WIND (PSF)	15	15	15
SEISMIC (PSF)	10	10	10



TYPICAL WALL SECTION
SCALE 1/2" = 1'-0"



SOIL GAS DEPRESSURIZATION DETAIL

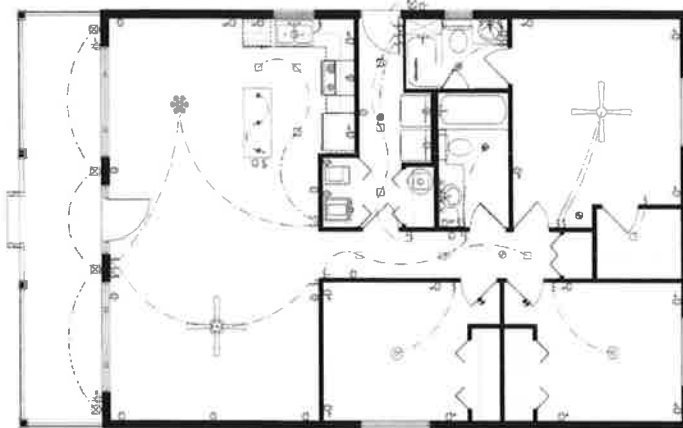
Cross Sections & Details

GIROUX DESIGN GROUP
Geotechnical and Building Design Since 1955
1420-100 Lakeshore Drive W. - Richmond, B.C. V6X 2C7, Canada 1. 604.270.0385
email: girouxdesigngroup.com web: www.girouxdesigngroup.com

PLAN NO. 195001
SHEET NO. A-3

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MAIN FLOOR ELECTRICAL LAYOUT



ELECTRICAL LEGEND	
ELECTRICAL	COUNT SYMBOL
Ceiling Fan Globe	1
Ceiling Fan Spoilights	1
LED Square Panel Down Light 5'6"	11
Exterior Light	5
Ceiling Globe Light	2
Chandelier	1
Pendant Cone	3
Vanity Bar Light 3 Bulb	1
Vanity Bar Light 4 Bulb	1
CO/Smoke Detector	4
Ceiling Exhaust Fan	3
Outlet	14
Outlet 220V	4
Outlet AFI	12
Outlet GFI	6
Outlet Waterpool	3
Switch	15
Switch 3 Way	8

ELECTRICAL NOTE:
 CONFIRM ALL ELECTRICAL, PICTURE PLACEMENTS AND QUANTITIES WITH HOME OWNER AND BUILDER BEFORE COMMENCING WORK. ELECTRICAL SYMBOLS AND COUNTS IN THIS DRAWING ARE BASED ON THE ASSUMPTION THAT THE MINIMUM BUILDING CODE REQUIREMENTS AND ARE TO BE USED AS A GUIDE ONLY. ADJUST TO MEET OWNERS AND/OR LOCAL ELECTRICAL CODES AND REGULATIONS. PROVIDE BATTERY BACKUP FOR ALL UNITS. ALL ELECTRICAL WORK SHALL BE IN ACCORDANCE WITH THE LOCAL ELECTRICAL CODES AND REGULATIONS.

Electrical System Layout

Crawlspace Foundation Plan & Notes





MEMORANDUM FOR THE RECORD

In consideration of the information set out in a Memorandum attached hereto as "Exhibit A" and pursuant to the City of Kingsport Code of Ordinances, Chapter 2, Article VII, Sections 2-569 and 2-570, one (1) parcel of property located at 101 Lee Street, Kingsport, Tennessee and further identified as Control Map 046G, Group A, Parcel 023.00, all within the 11th Civil District on the Sullivan County Tax Map, is hereby declared surplus property of the City of Kingsport for the purpose of effecting, upon review of the Planning Commission and authorized approval of the Board of Mayor and Aldermen as may be required, the transfer of the above-described tract of real property to a prospective buyer, with ingress and egress easements as may be considered necessary by the Public Works Director.


James W. Demming, City Recorder

Date 6/10/15

Attachment: City Clerk Angie Marshall's Memorandum of June 10, 2015
cc: J. Michael Billingsley, City Attorney

"Exhibit A"

M E M O R A N D U M

TO: James H. Demming, City Recorder

FROM: Angie Marshall, Municipal Clerk/Deputy City Recorder

SUBJECT: ***101 Lee Street real property as surplus***

DATE: June 10, 2015

ATTACHED: 1) Map of City-owned property described as:

Control Map 046G / Group A / Parcel 023.00

- 2) Minutes of the April 16, 2015 Regular Meeting of the Kingsport Regional Planning Commission accepting staff's recommendation designating the City-owned property as surplus; and
- 3) Memorandum from Corey Shepherd indicating City departments have no need for this property.

SUMMARY: The attached memorandum reflects City departments have been contacted and have expressed no objection to declaring this property surplus by the City. The Planning Commission voted unanimously to recommend approval of making this property surplus.

ACTION: A Memorandum for the Record has been prepared for your consideration. Its content should satisfy the requirement for declaring this property surplus and allowing the City Manager to bring this action before the BMA and allowing the City Attorney to proceed to prepare the necessary deed to convey this property to the interested party.



AGENDA ACTION FORM

Approval of Easements and Rights-of-Way

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager

Action Form No.: AF-264-2017
 Work Session: October 16, 2017
 First Reading: N/A

Final Adoption: October 17, 2017
 Staff Work By: R. Trent; H. Clabaugh
 Presentation By: R. McReynolds

Recommendation:

Approve the offers.

Executive Summary:

In order to construct improvements to existing cul-de-sacs in the Preston Woods and Preston Hills area, the Public Works Department has requested rights-of-way and easements across affected properties. These cul-de-sac improvements will allow larger vehicles and trucks to turn around more easily without affecting the property owner's yards and driveways. Appraisals have been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicate the fair market values as per the below property owners.

This project will be funded under #GP1208.

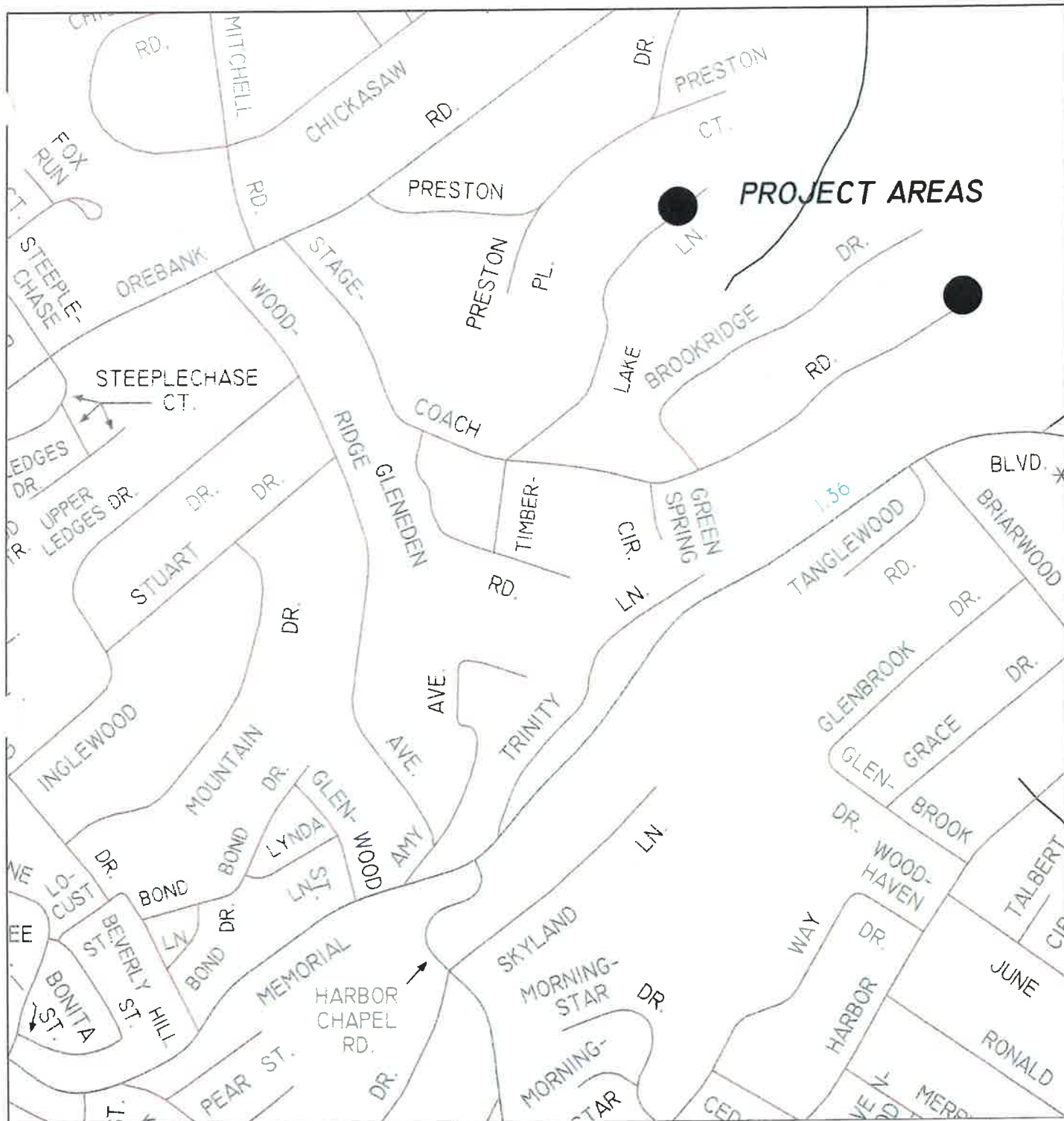
Tax Map/Parcel	Property Owner	ROW/Easement Area	Appraised Value
062-C; A-019.00	Chadwick & Ashley Marlow 4523 Preston Drive Kingsport, TN 37664	ROW 406 sq. ft.	\$134.00
062-C; B-007.00	Frances J. Cottrell Life Trust 4531 Timberlake Lane Kingsport, TN 37664	ROW 125 sq. ft.	\$68.00
062-C; C-007.00	Robert & Patricia Peterson 4528 Stagecoach Road Kingsport, TN 37664	ROW. 288 sq. ft. Temp. 56 sq. ft.	\$141.00 \$9.00

Attachment:

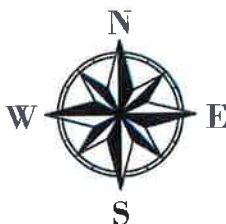
1. Project Location Map

Funding source appropriate and funds are available: 

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



ALL BEARINGS KGRN
(KINGSPORT GEODETIC
REFERENCE NETWORK)



**FIGURE I - MAP LOCATION
TURN-A-ROUNDS
PRESTON HILLS SUBDIVISION
CITY OF KINGSPORT, TENNESSEE**

NO SCALE

26 SEPTEMBER 2017