



## **BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING AGENDA**

**Tuesday, December 17, 2024 at 7:00 PM**

**City Hall, 415 Broad Street, Montgomery-Watterson Boardroom**

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### **Board of Mayor and Aldermen**

Mayor Paul W. Montgomery, Presiding  
Vice Mayor Darrell Duncan  
Alderman Morris Baker  
Alderman Betsy Cooper

Alderman Colette George  
Alderman Gary Mayes  
Alderman James Phillips

### **Leadership Team**

Chris McCartt, City Manager  
Michael Borders, Assistant City Manager  
Bart Rowlett, City Attorney  
Lisa Winkle, City Recorder/Treasurer  
John Morris, Budget Director  
Scott Boyd, Fire Chief

Ryan McReynolds, Deputy City Manager  
Jessica Harmon, Assistant City Manager  
Tyra Copas, Human Resources Director  
Dale Phipps, Police Chief  
Adrienne Batara, Public Relations Director  
Floyd Bailey, Chief Information Officer

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

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

### **III. INVOCATION**

1. Rev. Kim Isley-Selby, Vermont United Methodist Church

### **IV. ROLL CALL**

### **V. RECOGNITIONS AND PRESENTATIONS**

### **VI. COMMENT**

Citizens may speak on agenda items and 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. A total of thirty minutes is allocated for public comment.

## **VII. APPOINTMENTS**

- 1.** Consideration of Appointments to the Emergency Communications District / E-911 Board (AF-352-2024) (Mayor Montgomery)

## **VIII. APPROVAL OF MINUTES**

- 1.** December 2, 2024 - Work Session
- 2.** December 3, 2024 - Business Meeting

## **IX. BUSINESS MATTERS REQUIRING FIRST READING AND/ OR PUBLIC HEARINGS**

For items requiring a public hearing: When you come to the podium, please state your name and address, and sign the register that is provided. Comments of speaker must pertain to the item which is the subject of the public hearing. You are encouraged to keep your comments non-personal in nature, and they should be limited to five minutes.

- 1.** Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 105, Parcels 193.00 and 194.00 Located along Summerville Road and Kendrick Creek Road from the A-1, Agricultural District to R-1C, Residential District (AF-337-2024) (Jessica McMurray)
- 2.** Conduct Public Hearing for the Annual Plan of Services Update on the Fieldcrest and Cherry Knoll Annexations (AF-325-2024) (Ken Weems)
- 3.** Consideration of an Ordinance to Amend the FY 2025 the General Purpose School Fund and General Projects Fund Budgets (AF-338-2024) (David Frye)
- 4.** Consideration of a Budget Ordinance for Various Funds FY25 (AF-354-2024) (Chris McCartt)

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

- 1.** Consideration of a Budget Ordinance for Various Funds FY25 (AF-322-2024) (Chris McCartt)
- 2.** Consideration of a Budget Ordinance for Various Funds FY24 (AF-353-2024) (Chris McCartt)

## **XI. OTHER BUSINESS**

- 1.** Consideration of a Resolution Awarding the Bid for Athletic Uniforms and Sports Equipment to BSN Sports and Authorizing the Mayor to Sign All Applicable Documents (AF-336-2024) (David Frye)



- [2.](#) Consideration of a Resolution Renewing the Award for Generator Services (AF-342-2024) (Ryan McReynolds)
- [3.](#) Consideration of a Resolution to Purchase One (1) Hydro Excavator Truck Utilizing Sourcewell Cooperative Purchasing Agreement (AF-344-2024) (Ryan McReynolds)
- [4.](#) Consideration of Approval of Offer for Right-of-Way Acquisition for the Pendragon Lift Station Replacement Project (AF-341-2024) (Ryan McReynolds)
- [5.](#) Consideration of a Resolution to Approve the Purchase of Property Located at 263 Bays Mountain Park Road (AF-349-2024) (Michael T. Borders)
- [6.](#) Consideration of a Resolution for Bays Mountain Park to Apply for the Tennessee Heritage Conservation Trust Fund Grant (AF-350-2024) (Michael T. Borders)
- [7.](#) Consideration of a Resolution to Renew Stop Loss Contract with VOYA (AF-292-2024) (Tyra Copas)
- [8.](#) Consideration of a Resolution Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Agreement with LHP Capital (AF-346-2024) (Steven Bower)
- [9.](#) Consideration of a Resolution Rescinding Resolution Number 2025-105 and Amending an Economic Development Contribution Agreement to the Industrial Development Board of Kingsport and Authorizing One or More Agreements Pertaining to the Same (AF-347-2024) (Chris McCartt)
- [10.](#) Consideration of a Resolution Approving the Renewal of Property Insurance for City Owned Buildings with Travelers Indemnity Company (AF-214-2024) (Bart Rowlett)
- [11.](#) Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Integrity Building Group, LLC Related to the Fieldcrest Phase 1 (AF-332-2024) (Ryan McReynolds)
- [12.](#) Consideration of a Resolution to Approve a Mural in the B-2, Central Business District Zone (AF-327-2024) (Ken Weems)
- [13.](#) Consideration of a Resolution to Extend Agreement between the City of Kingsport and First Horizon Bank for an Additional Three Year Period (AF-351-2024) (Lisa Winkle)

- [14.](#) Consideration of a Resolution to Approve Supplemental Design Services for the Kingsport Public Library Renovation Project (AF-287-2024) (Michael T. Borders)
- [15.](#) Consideration of a Resolution to Authorize the Mayor to Renew a Lease Agreement with Congresswoman Diana Harshbarger for Office Space at the Kingsport Center for Higher Education (AF-331-2024) (Jessica Harmon)

## **XII. CONSENT AGENDA**

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

- [1.](#) Consideration of a Resolution Ratifying an Application for the Public Entity Partners 2024-2025 Cyber Security Matching Grant Program (AF-335-2024) (Bart Rowlett)
- [2.](#) Consideration of a Resolution of Formal Acceptance of Deeds and Deeds of Easement (AF-340-2024) (Bart Rowlett)
- [3.](#) Consideration of a Resolution to Accept a Private Monetary Donation from the Encounter for the Kingsport Police Department (AF-343-2024) (Chief Phipps)

## **XIII. COMMUNICATIONS**

1. City Manager
2. Mayor and Board Members

## **XIV. ADJOURN**



**AGENDA ACTION FORM**

**Consideration of Appointments to the Emergency Communications District / E-911 Board**

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

Action Form No.: AF-352-2024  
 Work Session: December 16, 2024  
 First Reading: N/A  
 Final Adoption: December 17, 2024  
 Staff Work By: Kevin Hite  
 Presentation By: Mayor Montgomery

**Recommendation:**  
 Approve appointments.

**Executive Summary:**  
 It is recommended to reappoint Margaret Denton and Jim Everhart to the Emergency Communications District / E-911 Board.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The board is comprised of nine members: Police Chief, Fire Chief and seven at-large members who are residents of the City of Kingsport. Terms are four years with no term limit.

<b>Current Board:</b>			
Member	Term Expires	No. of Terms	Eligibility
Keith Cunningham	12/31/27	1	At-large
Kenneth Calvert	12/31/27	7	At-large
Margaret Denton	12/31/24	3	At-large
James Everhart	12/31/24	Fulfilling unexpired term	At-large
Dr. Mickey Spivey	12/31/27	2	At-large
Jeff Fleming	12/31/25	1	At-large
Vivian Crymble	12/31/25	5	At-large
Dale Phips	Term of position	N/A	Police Chief
Scott Boyd	Term of position	N/A	Fire Chief

<b>Recommended Board:</b>			
Member	Term Expires	No. of Terms	Eligibility
Keith Cunningham	12/31/27	1	At-large
Kenneth Calvert	12/31/27	7	At-large
Margaret Denton	12/31/28	4	At-large
James Everhart	12/31/28	1	At-large
Dr. Mickey Spivey	12/31/27	2	At-large
Jeff Fleming	12/31/25	1	At-large
Vivian Crymble	12/31/25	5	At-large
Dale Phips	Term of position	N/A	Police Chief
Scott Boyd	Term of position	N/A	Fire Chief

- Attachments:**  
 1. Bio – Margaret Denton  
 2. Bio – James Everhart

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

## **James Everhart**

Jim has 40 years of experience in emergency services covering fire, EMS and law enforcement. He is a retired firefighter with the City of Kingsport where he served for 31 years. When he retired from the city, he worked in hospital management and education for a couple of years at Ballad Health. He is now working with the Tennessee Fire and Codes Academy as fire service instructor.

## **Mary Margaret Denton**

Mary Margaret Denton born, educated, worked, raised my family in East Tennessee and I have lived in Kingsport for the past 50 plus years. I am married to Hoyt Denton, and we have two adult children. I am an active member of First Broad Street United Methodist Church.

I am a graduate of the University of Tennessee and have post graduate degrees from the University of Tennessee and East Tennessee State University. I have been a licensed Social Worker and Marriage and Family Therapist and retired in 2006 as the Clinical Director of the Children's Advocacy Center of Sullivan County. Much of my life has also been spent as a community volunteer in the greater Kingsport community, serving on many Boards and community initiatives. My involvement with such organizations as the Junior League of Kingsport, Chamber of Commerce, Contact Concern, Friends in Need, Friends of Allandale, Children's Advocacy Center of Sullivan County, Holston Methodist Home for Children, etc. have given me a fairly good view of our community.

For the last 12 years, it has been my honor to serve on the Emergency Communications Board of Kingsport to help support its mission and its staff in providing an answering place 24 hours a day to respond to the emergency needs and requests for information from our community.



## BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Monday, December 02, 2024 at 4:30 PM

City Hall, 415 Broad Street, Montgomery - Watterson Boardroom

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### Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

**I. CALL TO ORDER** 4:30 pm by Mayor Montgomery.

**II. ROLL CALL** by City Recorder/Treasurer Lisa Winkle.

### **III. DISCUSSION ITEMS**

**1. Municipal Election** - Jason Booher

Mayor Montgomery stated he has heard a lot of complaints wanting to go back to a local election for city government. He stated this presentation will inform the board of the options available for any future changes. Mr. Booher with the Sullivan County Election Commission then provided information on the history that allows local governments to change the election date without a private act. He discussed the changes made in Kingsport since 2020 and provided statistics for election costs as well as voter participation. He commented if the board wanted to consider changing, he would recommend moving it to November and listed the advantages to doing so. Discussion followed as he answered questions from the board.

**2. Utilities Update** - Ryan McReynolds & Niki Ensor

Deputy City Manager Ryan McReynolds began the presentation and stated utility rates support the budget, the budget supports operations which are supported by master plans drive capital. He remarked there are three utilities - drinking water, wastewater and stormwater which are all heavy capital intense programs. These utilities share one mission, noting the goal is to be effective, efficient, reliable and resilient.

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

**Monday, December 2, 2024, at 4:30 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

Mr. McReynolds gave an overview of the utilities, providing statistics for each one. He discussed aging infrastructure and how to address this issue as well as how to maintain assets in the city.

Utilities Director Niki Ensor then presented information on the value of master plans, noting there are multiple plans across the utilities. She stated these plans ensure regulatory compliance and provide reliable service with minimal interruptions and cost-effective as well as flexible planning.

There was some discussion throughout this presentation.

**IV. REVIEW OF BUSINESS MEETING AGENDA**

City staff gave a summary for each item on the December 3, 2024 proposed agenda. No items were discussed at greater length or received specific questions of concerns.

**V. ITEMS OF INTEREST**

- 1. Sales Tax Report**
- 2. Projects Status Report**

**VI. ADJOURN**

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 6:15 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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PAUL W. MONTGOMERY  
Mayor



## BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, December 03, 2024 at 7:00 PM

City Hall, 415 Broad Street, Montgomery-Watterson Boardroom

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### Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

### City Administration

Chris McCartt, City Manager

Bart Rowlett, City Attorney

Lisa Winkle, City Recorder/Treasurer

Angie Marshall, City Clerk/Deputy City Recorder

**I. CALL TO ORDER** 7:00 pm by Mayor Montgomery.

**II. PLEDGE OF ALLEGIANCE TO THE FLAG** led by New Vision Youth.

**III. INVOCATION** led by Pastor Randy Frye, First Broad Street United Methodist Church.

**IV. ROLL CALL** by City Recorder/Treasurer Lisa Winkle.

**V. RECOGNITIONS AND PRESENTATIONS** None.

### **VI. COMMENT**

Mayor Montgomery invited citizens in attendance to speak. There being no one coming forward, the mayor closed the public comment section.

**VII. APPOINTMENTS** None.

**VIII. APPROVAL OF MINUTES** *(These items are considered under one motion.)*

Motion made by Alderman Mayes, Seconded by Alderman Baker.

Passed: All present voting "aye."

**1. November 18, 2024 - Work Session**

**2. November 19, 2024 - Business Meeting**



**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

Tuesday, December 3, 2024 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

**IX. BUSINESS MATTERS REQUIRING FIRST READING AND/ OR PUBLIC HEARINGS**

- 1. Consideration of a Budget Adjustment Ordinance for Various Funds in FY2025 (AF-322-2024) (Chris McCartt)**

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

**X. BUSINESS MATTERS REQUIRING FINAL ADOPTION**

- 1. Consideration of an Ordinance Amending Chapter 2 Article V Division 4 Public Art Committee (AF-295-2024) (Michael T. Borders)**

Motion made by Alderman Cooper, Seconded by Vice Mayor Duncan.

**ORDINANCE NO. 7180** ORDINANCE TO AMEND THE CODE OF ORDINANCES, CITY OF KINGSFORT, TENNESSEE, CHAPTER 2, ARTICLE V, DIVISION 4 RELATING TO THE PUBLIC ARTS COMMITTEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

- 2. Consideration of a Budget Ordinance for Various Funds FY25 (AF-304-2024) (Chris McCartt)**

Motion made by Alderman George, Seconded by Alderman Cooper.

**ORDINANCE NO. 7181** AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

- 3. Consideration of an Ordinance to Reallocate ARPA Funding Between Projects (AF-311-2024) (Lisa Winkle)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Mayes.

**ORDINANCE NO. 7182** AN ORDINANCE TO AMEND THE GENERAL PROJECT-SPECIAL REVENUE FUND BUDGET AND THE GENERAL PROJECT FUND BUDGET BY REALLOCATING AMERICAN RESCUE PLAN ACT FUNDS BETWEEN PROJECTS FOR THE YEAR ENDING JUNE 30, 2025; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

**4. Consideration of an Ordinance to Amend the FY 2025 General Purpose School Fund Budget (AF-309-2024) (David Frye)**

Motion made by Alderman Baker, Seconded by Alderman Phillips.

**ORDINANCE NO. 7183** AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2025; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

**5. Consideration of an Ordinance to Amend the FY 2025 School Projects Fund Budget (AF-313-2024) (David Frye)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Mayes.

**ORDINANCE NO. 7184** AN ORDINANCE TO AMEND THE FY 2025 SCHOOL SPECIAL PROJECTS FUND BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

**XI. OTHER BUSINESS**

**1. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary for School Nutrition Services LINQ Connect Service Agreement (AF-326-2024) (David Frye)**

Motion made by Alderman Baker, Seconded by Alderman Cooper.

**RESOLUTION NO. 2025-101** A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE THE LINQ CONNECT SERVICES AGREEMENT AND ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

**2. Consideration of a Resolution to Authorize the Mayor to Sign All Documents Necessary to Apply and Receive the Assistance to Firefighters (AFG) Grant through the U.S. Fire Administration of the Federal Emergency Management Administration (FEMA) Division of the Department of Homeland Security (DHS) (AF-324-2024) (Scott Boyd)**

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Motion made by Alderman Baker, Seconded by Alderman Cooper.

**RESOLUTION NO. 2025-102** A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN ASSISTANCE TO FIREFIGHTERS GRANT FROM THE FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION FOR THE KINGSPORT FIRE DEPARTMENT

Passed: All present voting "aye."

- 3. Consideration of a Resolution to Approve Tennessee Department of Health, Healthy Built Environment Amended Grant Contract and Authorize the Mayor to Execute All Documents (AF-318-2024) (Michael Borders)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Cooper.

**RESOLUTION NO. 2025-103** A RESOLUTION APPROVING AN AMENDMENT TO THE GRANT CONTRACT WITH THE STATE OF TENNESSEE, DEPARTMENT OF HEALTH, FOR THE HEALTHY BUILT ENVIRONMENT GRANT; 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."

- 4. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary to Apply for and Accept a Safety Training Grant from the Tennessee Department of Transportation (AF-323-2024) (Candace Sherer)**

Motion made by Alderman George, Seconded by Alderman Phillips.

**RESOLUTION NO. 2025-104** A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION SAFETY TRAINING GRANT FOR THE KINGSPORT AREA TRANSIT SERVICE

Passed: All present voting "aye."

- 5. Consideration of a Resolution Amending an Economic Development Contribution to the Industrial Development Board of Kingsport and Authorizing One or More Agreements Pertaining to the Same (AF-328-2024) (Chris McCartt)**

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

**RESOLUTION NO. 2025-105** A RESOLUTION APPROVING THE THIRD AMENDMENT TO THE ECONOMIC DEVELOPMENT CONTRIBUTION AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE; AUTHORIZING THE

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MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

Passed: All present voting "aye."

- 6. Consideration of a Resolution to Authorize the Mayor to Renew an Interlocal Agreement with Sullivan County to Allow a Lease Agreement for the Use of Space at 225 W. Center Street by Create Appalachia (AF-333-2024) (Steven Bower)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Baker.

**RESOLUTION NO. 2025-106** A RESOLUTION RENEWING THE INTERLOCAL AGREEMENT WITH SULLIVAN COUNTY TO ALLOW RENEWAL OF A LEASE AGREEMENT FOR THE USE OF SPACE AT 225 W. CENTER STREET BY CREATE APPALACHIA; AND AUTHORIZING THE MAYOR TO EXECUTE ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS AGREEMENT

Passed: All present voting "aye" except Alderman Phillips who abstained.

- 7. Consideration of a Resolution to Renew a Lease Agreement with Create Appalachia and to Allow the Mayor to Sign all Documents Necessary and Proper as they Pertain to the Lease (AF-329-2024) (Steven Bower)**

Motion made by Alderman Baker, Seconded by Alderman George.

**RESOLUTION NO. 2025-107** A RESOLUTION APPROVING RENEWAL OF A LEASE AGREEMENT WITH CREATE APPALACHIA FOR THE USE OF SPACE AT 225 W. CENTER STREET AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye" except Alderman Phillips who abstained.

- 8. Consideration of a Resolution to Execute Agreement with Kimley-Horn and Associates, INC. for the Creation of the Kingsport Comprehensive Plan and Land Use Map (AF-330-2024) (Jessica Harmon)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Phillips.

**RESOLUTION NO. 2025-108** A RESOLUTION APPROVING AN AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC., FOR THE CREATION OF THE KINGSPORT COMPREHENSIVE PLAN AND LAND USE MAP AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

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Passed: All present voting "aye."

- 9. Consideration of a Resolution Authorizing the City Manager to Execute a Purchase Order for a Centegix Safety Platform and CrisisAlert System from Central Technologies for Kingsport City Schools (AF-310-2024) (David Frye)**

Motion made by Alderman Baker, Seconded by Alderman Cooper.

**RESOLUTION NO. 2025-109** A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO CENTRAL TECHNOLOGIES FOR A FOURTEEN SITE CENTEGIX SAFETY PLATFORM AND CRISISALERT SYSTEM FOR KINGSFORT CITY SCHOOLS AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

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

Motion made by Vice Mayor Duncan, Seconded by Alderman Mayes.

Passed as presented with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

- 1. Consideration of Approval of Offer for Right-of-Ways and Easements for the Reedy Creek Trunkline Sanitary Sewer Improvement Project – Lovedale to Clinchfield (AF-321-2024) (Ryan McReynolds)**
- 2. Consideration of a Resolution to Accept a Donation from The Encounter (AF-319-2024) (Scott Boyd)**

**RESOLUTION NO. 2025-110** A RESOLUTION ACCEPTING A DONATION FROM THE ENCOUNTER TO THE KINGSFORT FIRE DEPARTMENT

- 3. Consideration of a Resolution Authorizing the Mayor to Sign a Survey & Appraisal Permission Form for Appalachian Power Company (AF-334-2024) (Michael T. Borders)**

**RESOLUTION NO. 2025-111** A RESOLUTION APPROVING THE EXECUTION OF A SURVEY AND APPRAISAL PERMISSION FORM FOR APPALACHIAN POWER COMPANY AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

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**Kingsport City Hall, 415 Broad Street, Boardroom**

**XIII. COMMUNICATIONS**

**1. City Manager**

None.

**2. Mayor and Board Members**

Alderman Mayes expressed gratitude to the city for all the decorations downtown. Alderman Cooper agreed and encouraged citizens to check out Christmas in Kingsport, listing the many activities coming up. Alderman George reminded everyone of the parade and tree lighting this Saturday. Alderman Baker thanked the City Manager and staff for the presentation at the work session yesterday regarding infrastructure. Alderman Phillips echoed previous comments regarding the Christmas season. Vice Mayor Duncan commented a police officer was involved in a tragic car accident last month and was severely injured, asking everyone to keep their family in mind and mentioned how to support them. He pointed out Santa would be at City Hall this year prior to the parade. Mayor Montgomery commented on the presentation from Jason Booher yesterday, noting we are on track. He also stated Grace House opened last night and they are already taking in guests.

**XIV. ADJOURN**

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 7:37 p.m.

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ANGELA MARSHALL

Deputy City Recorder

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PAUL W. MONTGOMERY

Mayor



**AGENDA ACTION FORM**

**Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 105, Parcels 193.00 and 194.00 Located along Summerville Road and Kendrick Creek Road from the A-1, Agricultural District to R-1C, Residential District.**

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

Action Form No.: AF-337-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: January 21, 2024  
Staff Work By: J. McMurray  
Presentation By: J. McMurray

**Recommendation:**

- Hold public hearing
- Approve ordinance amending the zoning ordinance to rezone Tax Map 105, Parcels 193.00 and 194.00 located along Summerville Road and Kendrick Creek Road from the A-1, Agricultural District to R-1C, Residential District.

**Executive Summary:**

This is an owner-requested rezoning of approximately 106.2 acres located along Summerville Road and Kendrick Creek Road from the A-1 zone to the R-1C zone. The purpose of the rezoning is to facilitate construction of a new single family housing development (166 units). No comment was received at the Planning Commission meeting. During their November 2024 regular meeting, the Kingsport Regional Planning Commission voted to send a positive recommendation to the Board of Mayor and Aldermen in support of approving the rezoning request by a vote of 7-0. The notice of public hearing was published on November 25, 2024.

**Attachments:**

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

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on December 17, 2024 to consider the rezoning of Tax Map 105, Parcels 193.00 and 194.00 located along Summerville Road/Kendrick Creek Road from the A-1, Agricultural District to R-1C, Residential District. The regular business meeting will begin at 7:00 p.m. in the Montgomery-Watterson Boardroom located on the third floor of City Hall, 415 Broad Street, Kingsport, Tennessee.

The property proposed for rezoning is generally described as follows:

### Tract 1- Parcel 193.00

BEGINNING AT A HIGHWAY MONUMENT (TYPE C), SAID HIGHWAY MONUMENT BEING LOCATED AT THE INTERSECTION OF THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD AND THE SOUTHERLY SIDELINE OF SUMMERVILLE ROAD. THENCE WITH THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD SOUTH 29°06'13" WEST, A DISTANCE OF 143.20 FEET TO A HIGHWAY MONUMENT (TYPE A), SAID HIGHWAY MONUMENT BEING LOCATED IN THE NORTHELY SIDELINE OF INTERSTATE 26. THENCE WITH THE CONTROLLED ACCESS SIDELINE OF INTERSTATE 26 A CURVE TO THE LEFT HAVING A RADIUS OF 4252.56 FEET, AN ARC LENGTH OF 399.79 FEET, AND A CHORD OF NORTH 57°54'46" WEST, A DISTANCE OF 399.65 FEET TO A HIGHWAY MONUMENT (TYPE C). THENCE LEAVING THE SIDELINE OF INTERSTATE 26 AND ALONG THE SOUTHERLY SIDELINE OF SUMMERVILLE ROAD THE FOLLOWING THREE CALLS: NORTH 60°06'49" EAST, A DISTANCE OF 109.36 FEET TO A HIGHWAY MONUMENT (TYPE B) LEANING; THENCE SOUTH 74°20'04" EAST, A DISTANCE OF 199.07 FEET TO A HIGHWAY MONUMENT (TYPE A); THENCE SOUTH 54°10'05" EAST, A DISTANCE OF 150.18 FEET TO THE POINT OF BEGINNING, SAID PARCEL CONTAINS 1.096 ACRES, MORE OR LESS.

### Tract 2 - Parcel 194.00

BEGINNING AT A HIGHWAY MONUMENT (TYPE C), SAID HIGHWAY MONUMENT BEING LOCATED AT THE INTERSECTION OF THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD AND THE NORTHERLY SIDELINE OF SUMMERVILLE ROAD. THENCE WITH THE NORTHERLY SIDELINE OF SUMMERVILLE ROAD THE FOLLOWING SEVEN CALLS: NORTH 85°48'49" WEST, A DISTANCE OF 202.05 FEET TO A HIGHWAY MONUMENT (TYPE A); THENCE NORTH 74°16'44" WEST, A DISTANCE OF 214.81 FEET TO A HIGHWAY MONUMENT (TYPE A); THENCE NORTH 63°02'14" WEST, A DISTANCE OF 408.98 FEET TO A HIGHWAY MONUMENT (TYPE A); THENCE NORTH 77°15'37" WEST, A DISTANCE OF 200.58 FEET TO A HIGHWAY MONUMENT (TYPE C); THENCE NORTH 44°02'05" WEST, A DISTANCE OF 177.25 FEET TO A HIGHWAY MONUMENT (TYPE B); THENCE NORTH 88°08'09" WEST, A DISTANCE OF 283.74 FEET TO A HIGHWAY MONUMENT (TYPE C); THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 1160.92 FEET, AN ARC LENGTH OF 105.00 FEET, AND A CHORD OF NORTH 26°38'25" WEST, A DISTANCE OF 104.96 FEET TO A POINT, SAID POINT BEING A CORNER FOR GIVENS (D.B. 2257C, PG. 742). THENCE LEAVING THE SAID SIDELINE AND WITH GIVENS NORTH 00°29'10" WEST, A DISTANCE OF 161.92 FEET, PASSING A 1/2" IRON ROD OLD ON LINE AT 4.05 FEET, TO A 1/2" IRON ROD NEW. THENCE WITH GIVENS, GILLENWATER (D.B. 2377C, PG. 125) AND MILLER & GALLOW (D.B. 3580, PG. 108) NORTH 12°18'32" EAST, A DISTANCE OF 436.00 FEET TO A 1" IRON PIPE OLD, SAID PIPE BEING A CORNER TO GILDEA (D.B. 608C, PG.

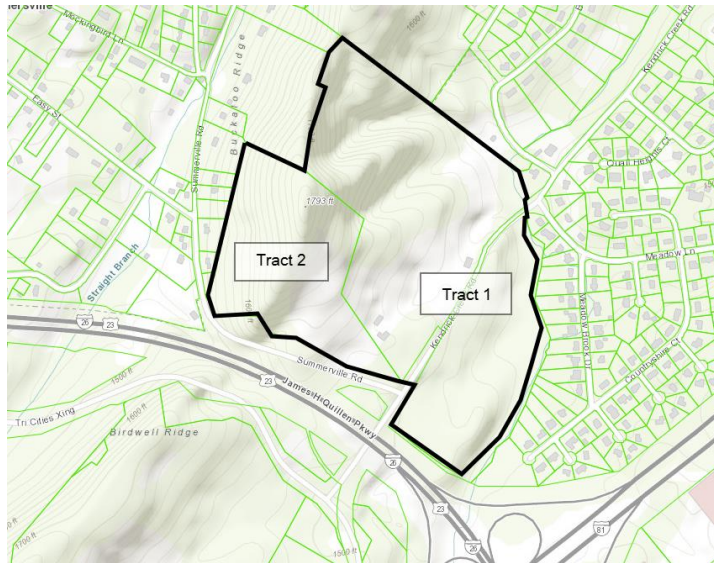


811). THENCE WITH GILDEA, FLOWERS (D.B. 983C, PG. 766), BUTLER (D.B. 2641C, PG. 491) AND LOT 2, EARNEST R. STRONG PROPERTY (P.B. 52, PG. 426) NORTH 07°34'04" EAST, A DISTANCE OF 509.91 FEET TO A 3/8" IRON ROD OLD, SAID IRON ROD BEING A CORNER TO LOT 2 AND STRONG (D.B. 1084C, PG. 776). THENCE WITH STRONG THE FOLLOWING NINE CALLS: SOUTH 76°01'09" EAST, A DISTANCE OF 412.16 FEET TO A 1/2" IRON ROD OLD (TALL); THENCE NORTH 07°11'09" WEST, A DISTANCE OF 22.40 FEET TO A 1/2" IRON ROD NEW; THENCE NORTH 01°20'51" EAST, A DISTANCE OF 96.75 FEET TO A 1/2" IRON ROD NEW; THENCE NORTH 07°18'51" EAST, A DISTANCE OF 72.17 FEET TO A 1/2" IRON ROD NEW; THENCE NORTH 19°14'51" EAST, A DISTANCE OF 292.44 FEET TO A 1/2" IRON ROD NEW; THENCE NORTH 15°58'51" EAST, A DISTANCE OF 37.14 FFET TO A 1/2" IRON ROD NEW; THENCE NORTH 10°55'51" EAST, A DISTANCE OF 86.39 FEET TO A 1/2" IRON ROD NEW; THENCE NORTH 12°48'28" EAST, A DISTANCE OF 81.20 FEET TO A 1/2" IRON ROD OLD; THENCE NORTH 21°41'47" EAST, A DISTANCE OF 197.27 FEET TO A 5/8" IRON ROD OLD, SAID IRON ROD BEING A CORNER TO FICKEY (D.B. 862C, PG. 188). THENCE WITH FICKEY NORTH 29°27'15" EAST, A DISTANCE OF 172.14 FEET TO A 3"X12" SET STONE IN THE LINE OF JONES (D.B. 1647C, PG. 551). THENCE WITH JONES SOUTH 55°47'44" EAST, A DISTANCE OF 622.82 FEET TO A 1/2" IRON ROD NEW. THENCE WITH JONES AND JONES (W.B. 48, PG. 44) SOUTH 54°48'51" EAST, PASSING A 1/2" IRON ROD NEW ON LINE AT 952.97 FEET, A DISTANCE OF 960.97 FEET TO A POINT IN KENDRICKS CREEK AND A CORNER TO LOT 1, DIVISION OF JONES PROPERTY (P.B. 47, PG. 58), THENCE WITH LOT 1, SOUTH 24°13'53" EAST, A DISTANCE OF 298.24 FEET TO A IRON ROD WITH ALLEY & ASSOCIATES CAP ON THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD.THENCE WITH THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD THE FOLLOWING FOURTEEN CALLS: SOUTH 55°26'53" WEST, A DISTANCE OF 10.58 FEET TO A 1/2" IRON ROD NEW; THENCE SOUTH 31°50'47" WEST, A DISTANCE OF 23.80 FEET TO A 1/2" IRON ROD NEW; THENCE SOUTH 51°29'22" WEST, A DISTANCE OF 20.11 FEET TO A 1/2" IRON ROD NEW; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 1470.65 FEET, AN ARC LENGTH OF 244.43 FEET, AND A CHORD OF SOUTH 46°43'41" WEST, A DISTANCE OF 244.15 FEET TO A 1/2" IRON ROD NEW; THENCE SOUTH 41°58'00" WEST, A DISTANCE OF 53.17 FEET TO A 1/2" IRON ROD NEW; THENCE SOUTH 35°19'50" WEST, A DISTANCE OF 43.29 FEET TO A 1/2" IRON ROF NEW; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 413.32 FEET, AND ARC LENGTH OF 134.19 FEET, AND A CHORD OF SOUTH 26°09'16" WEST, A DISTANCE OF 133.60 FEET; THENCE SOUTH 16°51'56" WEST, A DISTANCE OF 61.39 FEET TO A 1/2" IRON ROD NEW; THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 489.62 FEET, AN ARC LENGTH OF 106.28 FEET, AND A CHORD OF SOUTH 23°04'20" WEST, A DISTANCE OF 106.07 FEET TO A 1/2" IRON ROD NEW; THENCE SOUTH 29°17'26" WEST, A DISTANCE OF 113.82 FEET TO A 1/2" IRON ROD NEW; THENCE SOUTH 27°16'44" WEST, A DISTANCE OF 235.84 FEET TO A 1/2" IRON ROD NEW; THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 1270.77 FEET, AN ARC LENGTH OF 75.13 FEET, AND A CHORD OF SOUTH 28°58'22" WEST, A DISTANCE OF 75.12 FEET TO A 1/2" IRON ROD NEW; THENCE NORTH 57°19'10" WEST, A DISTANCE OF 7.68 FEET TO A HIGHWAY MONUMENT (TYPE B) DAMAGED; THENCE SOUTH 32°11'34" WEST, A DISTANCE OF 499.76 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 78.238 ACRES, MORE OR LESS.

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

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-

9401, ext. 5 or by emailing [ADAContact@KingsportTN.gov](mailto:ADAContact@KingsportTN.gov) at least 72 hours in advance. Copies of any documents used are available in accessible formats upon request.



CITY OF KINGSPORT  
Angie Marshall, City Clerk  
PIT: 11/25/2024

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG SUMMERVILLE ROAD AND KENDRICK CREEK ROAD FROM THE A-1, AGRICULTURAL DISTRICT TO R-1C, RESIDENTIAL DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property located along Summerville Road and Kendrick Creek Road from the A-1, Agricultural District to R-1C, Residential District in the 14th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

**Tract 1- Parcel 193.00**

BEGINNING AT A HIGHWAY MONUMENT (TYPE C), SAID HIGHWAY MONUMENT BEING LOCATED AT THE INTERSECTION OF THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD AND THE SOUTHERLY SIDELINE OF SUMMERVILLE ROAD. THENCE WITH THE WESTERLY SIDELINE OF KENDRICKS CREEK ROAD SOUTH 29°06'13" WEST, A DISTANCE OF 143.20 FEET TO A HIGHWAY MONUMENT (TYPE A), SAID HIGHWAY MONUMENT BEING LOCATED IN THE NORTHELY SIDELINE OF INTERSTATE 26. THENCE WITH THE CONTROLLED ACCESS SIDELINE OF INTERSTATE 26 A CURVE TO THE LEFT HAVING A RADIUS OF 4252.56 FEET, AN ARC LENGTH OF 399.79 FEET, AND A CHORD OF NORTH 57°54'46" WEST, A DISTANCE OF 399.65 FEET TO A HIGHWAY MONUMENT (TYPE C). THENCE LEAVING THE SIDELINE OF INTERSTATE 26 AND ALONG THE SOUTHERLY SIDELINE OF SUMMERVILLE ROAD THE FOLLOWING THREE CALLS: NORTH 60°06'49" EAST, A DISTANCE OF 109.36 FEET TO A HIGHWAY MONUMENT (TYPE B) LEANING; THENCE SOUTH 74°20'04" EAST, A DISTANCE OF 199.07 FEET TO A HIGHWAY MONUMENT (TYPE A); THENCE SOUTH 54°10'05" EAST, A DISTANCE OF 150.18 FEET TO THE POINT OF BEGINNING, SAID PARCEL CONTAINS 1.096 ACRES, MORE OR LESS.

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

\_\_\_\_\_  
PAUL W. MONTGOMERY  
Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL  
Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III  
City Attorney

PASSED ON 1ST READING \_\_\_\_\_  
PASSED ON 2ND READING \_\_\_\_\_

Kingsport Regional Planning Commission

Rezoning Report

File Number REZONE24-0237

Summerville Road/Kendrick Creek Road Rezoning

<b>Property Information</b>			
<b>Address</b>		Summerville Road/Kendrick Creek Road	
<b>Tax Map, Group, Parcel</b>		Tax Map 105 Parcel 193.00 & Parcel 194.00	
<b>Civil District</b>		14	
<b>Overlay District</b>		Gateway	
<b>Land Use Designation</b>		Single-Family	
<b>Acres</b>		Rezone Site 106.2 acres +/-	
<b>Existing Use</b>		<b>Existing Zoning</b>	A-1
<b>Proposed Use</b>		<b>Proposed Zoning</b>	R-1C
<b>Owner /Applicant Information</b>			
Name: Horse Creek Farms Address: 465 Rocks Springs Rd. City: Kingsport State: TN                              Zip Code: 37660 Email: Phone Number: (423)292-2971		Intent: <i>To rezone from A-1 (Agricultural District) to R-1C (Residential District) to accommodate new single-family development.</i>	
<b>Planning Department Recommendation</b>			
<p>The Kingsport Planning Division recommends sending a <b>POSITIVE</b> recommendation to the Kingsport Board of Mayor and Alderman for the following reasons:</p> <ul style="list-style-type: none"> <li>• <i>The zoning change is compatible with neighboring residential zoning districts.</i></li> <li>• <i>The zoning change is consistent with the future land use plan.</i></li> <li>• <i>The zoning change will appropriately match the proposed use.</i></li> </ul> <p><b>Staff Field Notes and General Comments:</b></p> <ul style="list-style-type: none"> <li>• <i>The parcels are located at the corner of Summerville Road and Kendrick’s Creek Road.</i></li> <li>• <i>There is currently a vacant home and barn located on parcel 193.00; parcel 194.00 is vacant.</i></li> <li>• <i>Water and sewer are available. Sewer will need to be extended across Kendrick Creek Rd by developer.</i></li> <li>• <i>The rezoning site will house 166 new single-family homes.</i></li> <li>• <i>The development review staff are supportive of the request.</i></li> </ul>			
<b>Planner:</b>	Jessica McMurray	<b>Date:</b>	October 17, 2024
<b>Planning Commission Action</b>		<b>Meeting Date:</b>	<b>November 21, 2024</b>
<b>Approval:</b>			
<b>Denial:</b>		<b>Reason for Denial:</b>	
<b>Deferred:</b>		<b>Reason for Deferral:</b>	

**PROPERTY INFORMATION**

<b>ADDRESS</b>	Tax Map 105 Parcel 193.00 & Parcel 194.00
<b>DISTRICT</b>	14
<b>OVERLAY DISTRICT</b>	Gateway
<b>EXISTING ZONING</b>	A-1 (Agricultural District)
<b>PROPOSED ZONING</b>	R-1C (Residential District)
<b>ACRES</b>	Rezone Site 106.2 acres +/-
<b>EXISTING USE</b>	vacant land
<b>PROPOSED USE</b>	New single-family development

**PETITIONER**

**ADDRESS** 465 Rocks Springs Road, Kingsport, TN 37660

**REPRESENTATIVE**

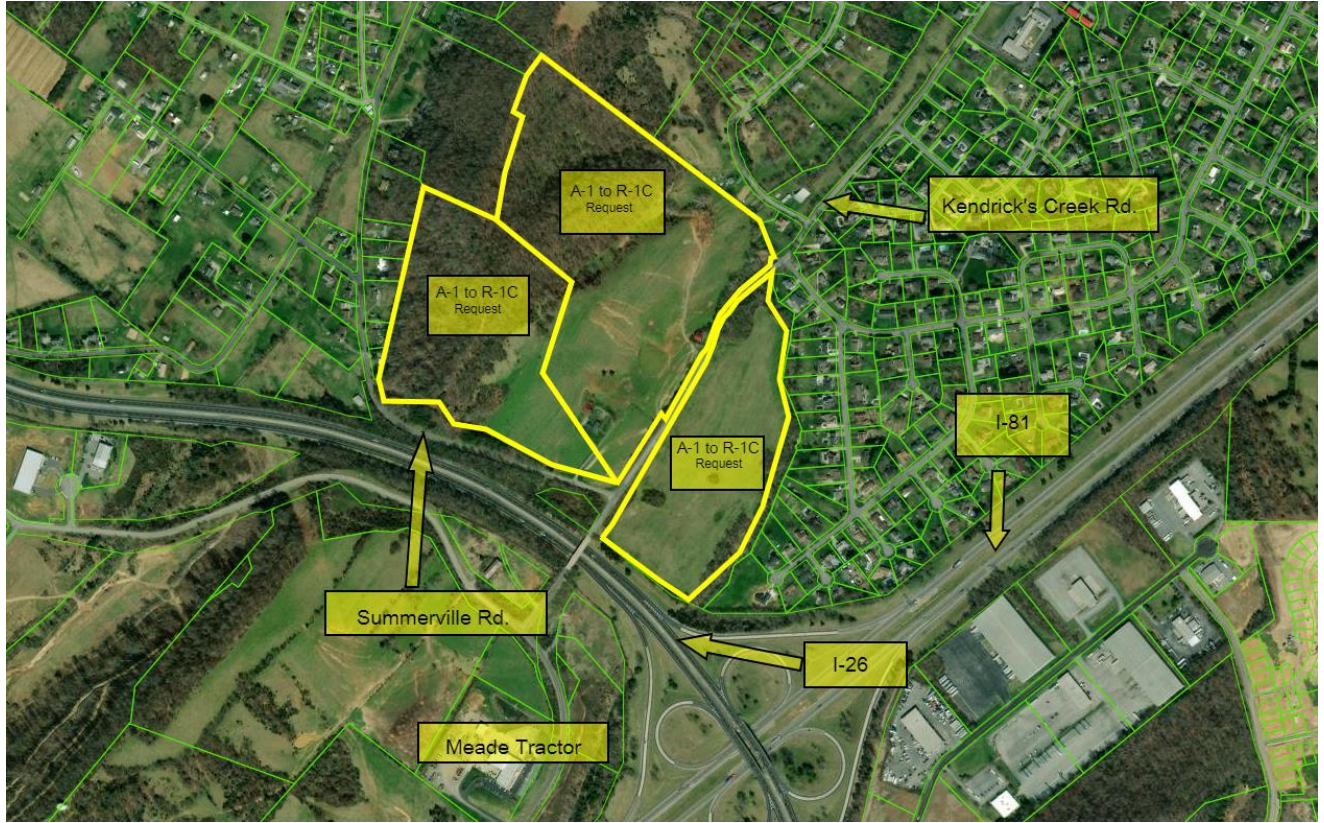
**PHONE** (423) 292-2971

**INTENT**

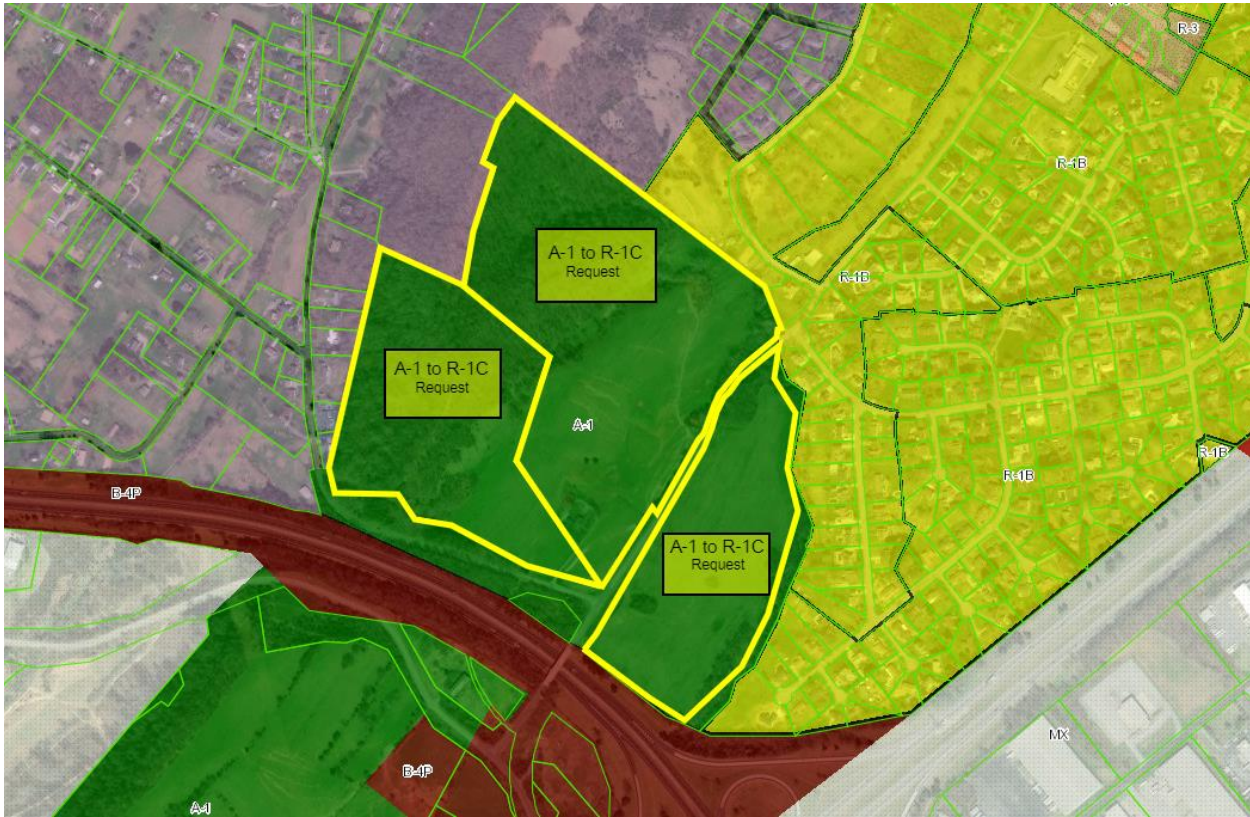
*To rezone from A-1 (Agricultural District) to R-1C (Residential District) to accommodate new single-family development.*



Vicinity Map



Surrounding City Zoning Map





Future Land Use Plan 2030





Aerial



View from Kendrick Creek Road Facing South





View from Kendrick Creek Road Facing West





View from Kendrick Creek Road Facing Northwest



View from Kendrick Creek Road Facing North





EXISTING USES LOCATION MAP



Kingsport Regional Planning Commission

Rezoning Report

File Number REZONE24-0237

Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Name	History Zoning Action Variance Action
North	1	<u>Zone: County R-1</u> Use: single family	
Northeast	2	<u>Zone: City R-1B</u> Use: single family	
East	3	<u>Zone: City R-1B</u> Use: single family	
Southeast	4	<u>Zone: City MX</u> Use: manufacturing/retail/single-family/multifamily	
South	5	<u>Zone: B-4P</u> Use: retail/commercial	
Southwest	6	<u>Zone: City R-1A</u> Use: single family	
West	7	<u>Zone: City MX</u> Use: manufacturing/retail/single-family/multifamily	
Northwest	8	<u>Zone: B-4P</u> Use: retail/commercial	

**Standards of Review**

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 6, below, as well as any other factors it may find relevant.

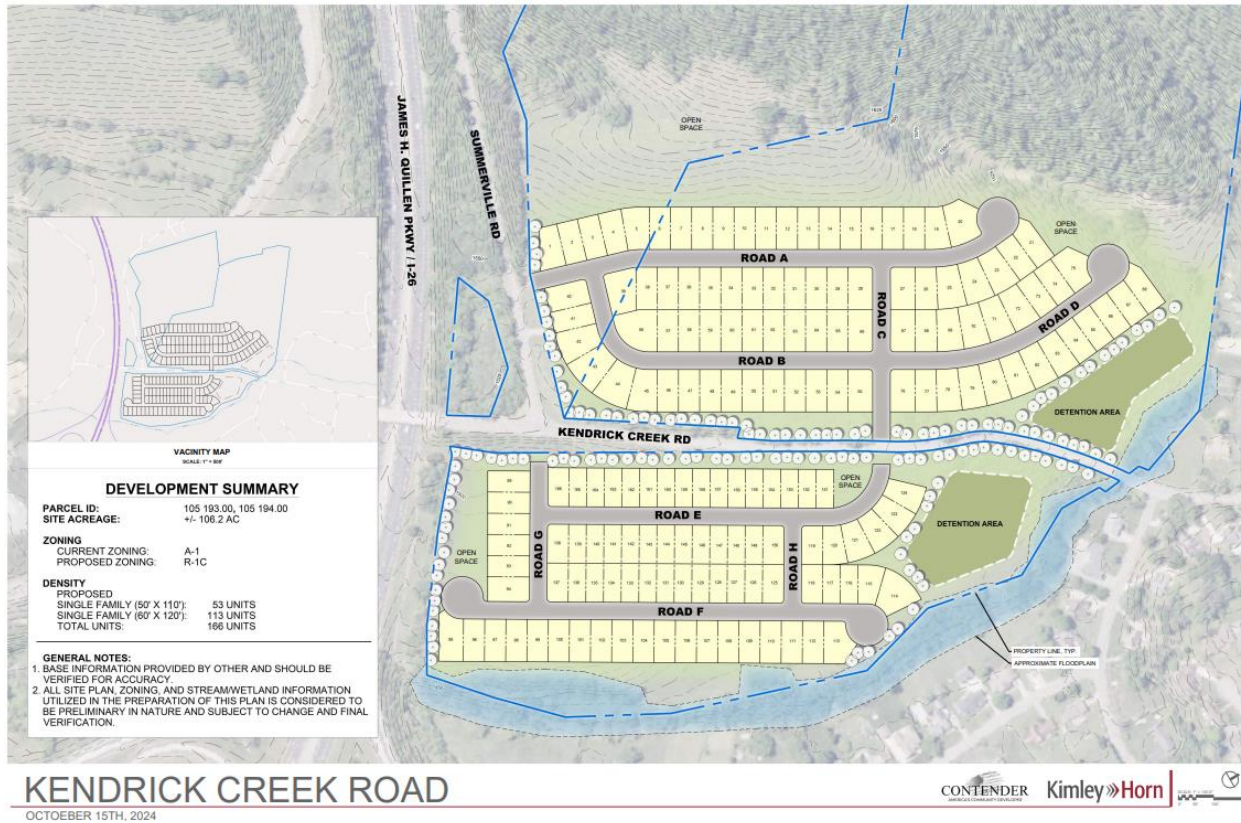
1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby Property?** The proposal allows for a use that aligns with the surrounding residential zoning districts and is in harmony with the future land use plan.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The adjacent and nearby property will not be adversely affected by the proposal.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property has a viable economic use under its current zoning and it would also have a reasonable economic use under the proposed zoning.
4. **Whether the proposal is in conformity with the policies and intent of the land use plan?** The R-1C rezoning proposal aligns with the 2030 Land Use Plan, and the site is expected to serve the area effectively.

**Proposed use:** New single-family development

**The Future Land Use Plan Map recommends** single-family.

5. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The current conditions strongly support the approval of the proposed rezoning. The location of the parcel in question exhibits a harmonious compatibility with adjacent residential zoning districts and aligns well with the future land use plan.
6. **Whether there are other existing or changed conditions affecting the use and development of the property which give supporting grounds for either approval or disapproval of the proposal?** The rezoning site borders existing residential districts, and the vacant land is adequately sized for a new development that will comply with R-1C zoning requirements.

Zoning Development Plan



**CONCLUSION**

Staff recommends sending a positive recommendation to rezone from A-1 to R-1C, citing the site's compatibility with neighboring residential zoning districts and its alignment with the future land use plan.



**AGENDA ACTION FORM**

**Conduct Public Hearing for the Annual Plan of Services Update on the Fieldcrest and Cherry Knoll Annexations**

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

Action Form No.: AF-325-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: December 17, 2024  
Staff Work By: Ken Weems  
Presentation By: K. Weems

**Recommendation:**

Hold public hearing to receive comment on the annual plan of services update for the Fieldcrest and Cherry Knoll Annexations.

**Executive Summary:**

Tennessee Code Annotated 6-51-108 states in part "...upon expiration of six (6) months from the date any annexed territory for which a Plan of Service has been adopted becomes a part of the annexing of the municipality, and annually thereafter until such services have been extended according to such plan, there shall be prepared and published in the newspaper of general circulation in the municipality a report of the progress made in the preceding year... the governing body by municipality shall publish notice of the public hearing on such progress reports and changes, and hold such hearings thereon..." As a result of this statute, and the subsequent need to conduct the identified plan of service updates, it is recommended that the Board of Mayor and Aldermen conduct a public hearing and receive comment. All services required are on track to be complete by the terms of the plan of services. The notice of public hearing was published on November 25, 2024.

**Attachments:**

- 1. Notice of Public Hearing
- 2. Plan of Services Report
- 3. Map

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

## NOTICE OF PUBLIC HEARING

The Kingsport Board of Mayor and Aldermen will conduct a public hearing for the annual plan of services report for the following annexation areas at their December 17, 2024 regular business meeting. The meeting begins at 7:00 P.M. in the Montgomery-Watterson Boardroom, 415 Broad Street, 3rd floor, Kingsport, Tennessee.

Annexation Area: Fieldcrest Annexation, Resolution No. 2022-264

Effective Date: 7/21/2022

POS, deadline: annual update with deadline of June 2027; water and sewer service extensions under survey

Annexation Area: Cherry Knoll Annexation, Ordinance 5784

Effective Date: 12/4/2008

POS, deadline: annual update with a deadline of when development occurs requiring sewer service, water service, and street lights.

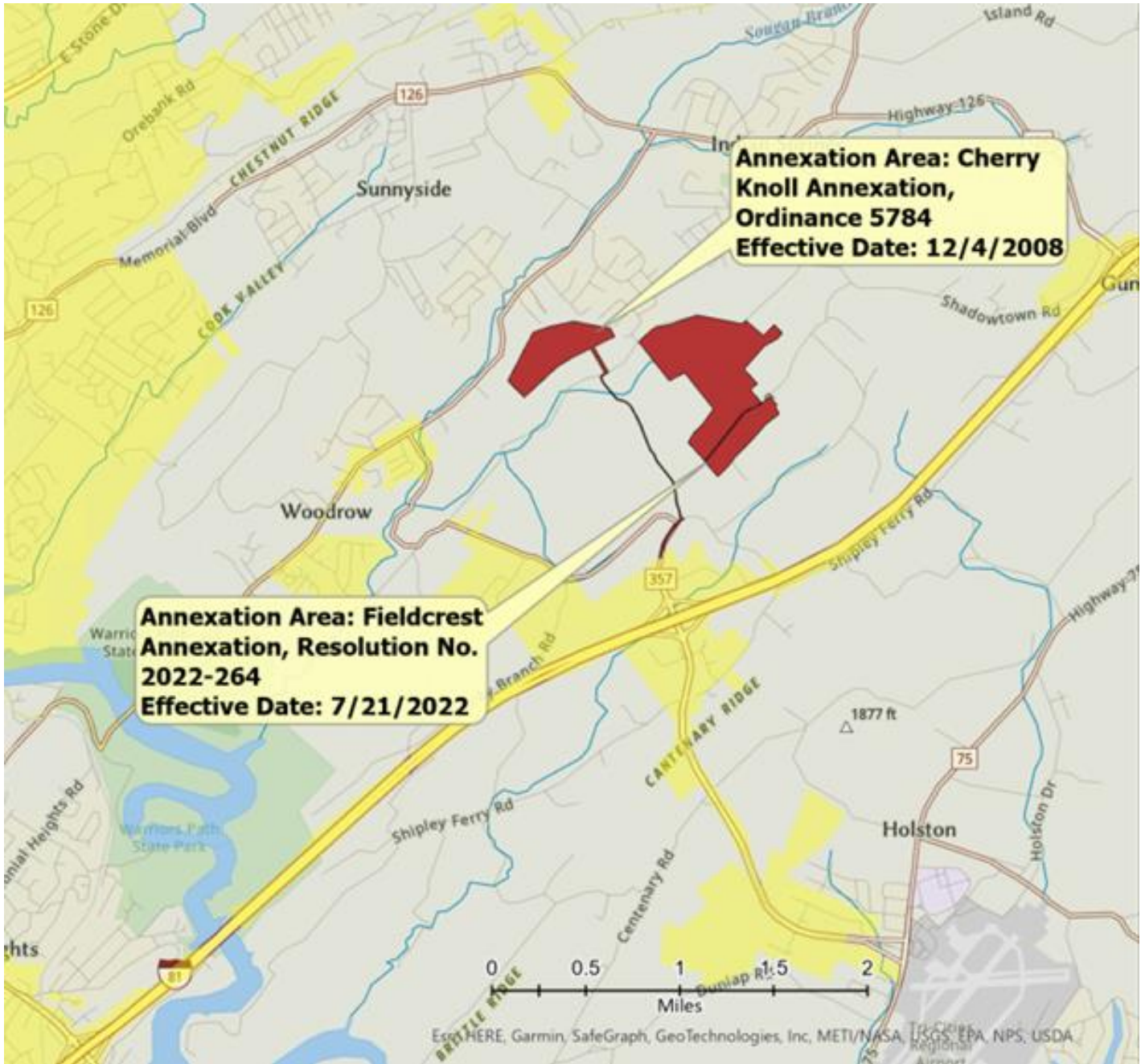
All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-9485 or by emailing ADAContact@KingsportTN.gov at least 72 hours in advance. Copies of any documents used are available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

City of Kingsport  
Angie Marshall, City Clerk.  
P1T: 11/25/2024



**DEC 2024 ANNUAL PLAN OF SERVICES REPORT  
FOR RESOLUTION NO 2022-264, & ORDINANCE 5784**

<u>Annexation Area</u>	<u>Effective Date</u>	<u>POS Deadline</u>	<u>Status</u>
Fieldcrest Resolution No. 2022-264	7/21/2022	7/21/2027	water and sewer extensions under survey
Cherry Knoll Ordinance 5784	12/4/2008	when development occurs	water, sewer, and street lights when development occurs



Annexation Area: Fieldcrest Annexation, Resolution No. 2022-264

Effective Date: 7/21/2022

POS, deadline: annual update with deadline of June 2027; water and sewer service extensions under survey

Annexation Area: Cherry Knoll Annexation, Ordinance 5784

Effective Date: 12/4/2008

POS, deadline: annual update with a deadline of when development occurs requiring sewer service, water service, and street lights.





**AGENDA ACTION FORM**

**Consideration of an Ordinance to Amend the FY 2025 the General Purpose School Fund and General Projects Fund Budgets.**

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

Action Form No.: AF-338-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: January 21, 2025  
Staff Work By: David Frye  
Presentation By: David Frye

**Recommendation:**  
Approve the ordinance.

**Executive Summary:**  
The Board of Education approved fiscal year 2025 budget amendment number three at their meeting on December 10, 2024. This amendment increases the General Purpose School Fund budget by \$685,900. The estimated revenue for Other Local Revenue will be increased by \$35,900 for funds received from the Robinson activity accounts, \$7,967 will be transferred from the Superintendents Other Contracted Services account, and the appropriation for Robinson Capital Outlay will be increased by \$43,867 for providing funding for locker room renovations. Curriculum & Instruction funds will be transferred from Instructional Supplies and Materials (\$30,000) to Staff Development (\$25,000) and Other Supplies (\$5,000). \$650,000 will be appropriated from the General Purpose School Fund, Unreserved Fund Balance and be transferred to the General Project Fund to fund phase one for the architectural services for the construction of a new elementary school to be located in the Lynn Garden community.

- Attachments:**
1. Ordinance
  2. BOE Budget Amendment Number Three – FY 2025

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET AND THE GENERAL PROJECTS FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2025; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. The General Purpose School Fund will be amended by increasing the estimated revenue for Other Local Revenue by \$35,900 and the estimated revenue for Unreserved Fund Balance Appropriations by \$650,000. The expenditure budget will be amended by increasing the appropriations Curriculum & Instruction, Staff Development by \$25,000; by increasing the appropriation for Curriculum & Instruction Other Supplies by \$5,000; by increasing the appropriation for Robinson Capital Outlay by \$43,867; and by increasing the appropriation for Fund Transfers by \$650,000. The expenditure budget will be amended by decreasing the appropriation for Curriculum and Instruction, Instructional Supplies and Materials by \$30,000. The General Project Fund budget will be amended by establishing a new project for the Lynn Garden Elementary School and by increasing the estimated revenue for Transfers from the School Fund by \$650,000 and by increasing the appropriation for Architect Fees by \$650,000.

**Fund 141: General Purpose School Fund**

<b><u>Revenues:</u></b>	\$	\$	\$	
141-0000-369-4990 Other Local Revenue	1,013,976	35,900	1,049,876	
141-0000-392-0100 Fund Balance Appropriations	3,818,539	650,000	4,468,539	
<b>Totals</b>	<b>4,832,515</b>	<b>685,900</b>	<b>5,518,415</b>	

<b><u>Expenditures:</u></b>	\$	\$	\$	
141-7154-711-0429 C & I-Inst Supplies	359,821	(30,000)	329,821	
141-7252-781-0457 C & I-Staff Development	45,000	25,000	70,000	
141-7254-781-0499 C & I-Other Supplies	11,200	5,000	16,200	
141-7250-792-0399 Superintendent-Contracts	106,000	(7,967)	98,033	
141-7605-871-0790 RNR-Non-Inst Equip	23,087	43,867	66,954	
141-7650-871-0590 Fund Transfers	130,000	650,000	780,000	
<b>Totals</b>	<b>675,108</b>	<b>685,900</b>	<b>1,361,008</b>	

**Lynn Garden Elementary Sch Project (GP2507)**

<b><u>Revenues:</u></b>	\$	\$	\$	
311-0000-391-2100 Transfer from School Fund	0	650,000	650,000	
<b>Total:</b>	<b>0</b>	<b>650,000</b>	<b>650,000</b>	

<b><u>Expenditures:</u></b>	\$	\$	\$	
311-0000-601-2023 Architect/Engineering Serv	0	650,000	650,000	
<b>Total:</b>	<b>0</b>	<b>650,000</b>	<b>650,000</b>	

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.

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHAL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, City Attorney

PASSED ON 1ST READING: \_\_\_\_\_

PASSED ON 2ND READING: \_\_\_\_\_

December 10, 2024

KINGSPORT CITY SCHOOLS  
FISCAL YEAR 2024-2025  
BUDGET AMENDMENT NUMBER THREE

**GENERAL PURPOSE SCHOOL FUNDS**

**ITEM ONE: CURRICILUM & INSTRUCTION TRANSFER**

There are funds that were budgeted in the Curriculum & Instruction budget that were covered with ESSER carryover funds. Due to reductions in Title funding I and II funds, it has been requested to reallocate funds budgeted for Instructional Supplies and Materials to Staff Development and Other Supplies.

It is recommended to transfer \$30,000 from the Curriculum & Instruction, Instructional Supplies and Materials account to the Curriculum & Instruction, Other Supplies account (\$5,000) and the Staff Development account (\$25,000).

**ITEM TWO: ROBINSON LOCKER ROOM PROJECT**

Robinson Middle School desires to upgrade their locker rooms. These upgrades include new lockers and flooring. Funding for the project will be provided by various sources. There have been fund raising efforts and donations. Robinson will also use some of their internal school athletic funds and their allocation for capital outlay. There will also be \$7,967 provided from the Superintendent's discretionary funds.

It is recommended that the estimated revenue for Other Local Revenue be increased by \$35,900 and \$7,967 be transferred from the Superintendent's Other Contracted Services and the appropriations for Robinson Capital Outlay be increased by \$43,867.

**ITEM THREE: FUND BALANCE APPROPRIATION**

In order to fund the architectural services for the preliminary design work for the new elementary school to be located on the site of the Lynn View Community Center, it will be necessary to appropriate \$650,000 from the General Purpose School Fund Unreserved Fund Balance.

At June 30, 2024, the unaudited balance of the Unreserved Fund Balance was \$13,513,857. Budget amendments one and two appropriated to total of \$3,220,160 from the Fund Balance. An additional \$598,079 was appropriated for prior year purchase orders. With the approval of this budget amendment the Unreserved Fund Balance will be \$9,045,618. This represents 9.18% of the original FY 2025 General Purpose School Fund operating budget.

It is recommended that the estimated revenue for Fund Balance Appropriations and the appropriation for Fund Transfers be increased by \$650,000.

## **GENERAL PROJECT FUND**

### **LYNN GARDEN ELEMENTARY SCHOOL PROJECT**

A new project will be established for the design and construction of a new elementary school to be located on the site of Lynn View Community Center. Initial project funding will be established in the amount of \$650,000. This will fund the initial agreement with Thompson & Litton Architects for preliminary design work. These funds will be provided by a transfer from the General Purpose School Fund. It is anticipated that these funds will be returned to the General Purpose School Fund at a future date, when bonds are sold by the City of Kingsport to fully fund this project.

It is recommended that the estimated revenue for Transfers from the General Purpose School Fund and the appropriation Architect Fees be established in the amount of \$650,000.



**AGENDA ACTION FORM**

**Consideration of a Budget Ordinance for Various Funds FY25**

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

Action Form No.: AF-354-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: January 21, 2025  
Staff Work By: Morris  
Presentation By: McCartt

**Recommendation:**  
Approve the Budget Ordinance

**Executive Summary:**  
The General Fund is being amended by accepting and appropriating a donation from The Encounter to the Police Department in the amount of \$1,800.

The General Project-Special Revenue Fund is being amended by accepting a grant from the Tennessee Department of Disability and Aging to the Minor Senior Center Grant project (NC2510) in the amount of \$10,000 and by creating the Library Donations project (NC2510) in the amount of \$10,000 and the Library Restricted Donations project (NC2511) in the amount of \$60,000, and by transferring \$210,000 from the Misc Projects project (NC2325) back to the General Fund for use in the BMP Prop Purchase project (GP2508).

The General Project Fund be amended by accepting \$14,000 in donations to the Library Improvements project (GP1908), accepting \$11,509 to the Library Renovations project (GP2300), and by transferring \$69,859 from Library Improvements project (GP1908) to the Library Renovations project (GP2300), and by allocating \$210,000 from the General Fund to the BMP Prop Purchase project (GP2508).

The Water Project Fund are being amended to set up the Fieldcrest Phase 1 project (WA2551) in the amount of \$117,111.

The Sewer Fund and the Sewer Project Fund are being amended to set up the Fieldcrest Phase 1 project (SW2551) in the amount of \$83,326.

**Attachments:**  
1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item IX4.

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR  
THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE  
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund be amended by accepting a donation from the Encounter and appropriating it to the Operating Supplies and Tool line (110-3001-441.30-20).

SECTION II That the General Project-Special Revenue Fund be amended by accepting a grant from the Tennessee Department of Disability and Aging to the Minor Senior Center Grant project (NC2510) in the amount of \$10,000 and by creating the Library Donations project (NC2510) in the amount of \$10,000 and the Library Donations-Restricted project (NC2511) in the amount of \$60,000, and by transferring \$210,000 from the Misc Projects project (NC2325) back to the General Fund for use in the BMP Prop Purchase project (GP2508).

SECTION II. That the General Project be amended by accepting \$4,000 in donations to the From Individuals line (311-0000-364.10-00) and \$10,000 in donations to the From Non-Profit Groups line (311-0000-364.30-10) of the Library Improvements project (GP1908), by accepting \$11,509 to the Miscellaneous line (311-0000-368.99-00) of the Library Renovations project (GP2300), and by transferring \$69,859 from Library Improvements project (GP1908) to the Library Renovations project (GP2300), and by allocating \$210,000 from the General Fund to the BMP Prop Purchase project (GP2508).

SECTION IV. That the Sewer Fund be amended by transferring \$200,000 from the Depreciation line (412-5006-501.40-20) to the Developer Materials Sewer Project Fund line (412-6996-696.83-02).

SECTION V. That the Water Project Fund be amended by appropriating \$117,111 from the Water Fund to the Fieldcrest Phase 1 project (WA2551).

SECTION VI. That the Sewer Project Fund be amended by appropriating \$81,326 from the Sewer Fund to the Fieldcrest Phase 1 project (SW2551).

**Fund 110: General Fund**

**Account Number/Description:**

**Revenues:**

	<b><u>Budget</u></b>	<b><u>Incr/(Decr)</u></b>	<b><u>New Budget</u></b>
	\$	\$	\$
110-0000-364.20-00 From Corporations	1,800	1,800	3,600
<b>Total:</b>	<b>1,800</b>	<b>1,800</b>	<b>3,600</b>

**Expenditures:**

	<b><u>Budget</u></b>	<b><u>Incr/(Decr)</u></b>	<b><u>New Budget</u></b>
	\$	\$	\$
110-3001-441.30-20 Operating Supplies & Tool	5,400	1,800	7,200
110-4804-481.70-35 To Gen Proj-Special Rev	2,452,902	(210,000)	2,242,902
110-4804-481.70-36 General Project Fund	6,963,324	210,000	7,173,324
<b>Total:</b>	<b>9,421,626</b>	<b>1,800</b>	<b>9,423,426</b>

**Gen Proj-Special Rev Fund: 111**  
**Minor Sr Ctr Grant (NC2510)**

**Account Number/Description:**

**Revenues:**

111-0000-332.69-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 10,000	\$ 10,000
<b>Total:</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>

**Expenditures:**

111-0000-601.30-20 Operating Supplies & Tools

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 10,000	\$ 10,000
<b>Total:</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>

**Library Donations (NC2510)**

**Revenues:**

111-0000-364.10-00 From Individuals

111-0000-364.20-00 From Corporations

111-0000-364.30-00 From Non-Profit Groups

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 8,000	\$ 8,000
	0	1,000	1,000
	0	1,000	1,000
<b>Total:</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>

**Expenditures:**

111-0000-601.30-10 Office Supplies

111-0000-601.30-14 Computer Supplies

111-0000-601.30-20 Operating Supplies & Tools

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 1,000	\$ 1,000
	0	1,000	1,000
	0	8,000	8,000
<b>Total:</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>

**Library Donations-Restricted (NC2511)**

**Revenues:**

111-0000-364.10-00 From Individuals

111-0000-364.20-00 From Corporations

111-0000-364.30-00 From Non-Profit Groups

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 5,000	\$ 5,000
	0	5,000	5,000
	0	50,000	50,000
<b>Total:</b>	<b>0</b>	<b>60,000</b>	<b>60,000</b>

**Expenditures:**

111-0000-601.30-10 Office Supplies

111-0000-601.30-14 Computer Supplies

111-0000-601.30-20 Operating Supplies & Tools

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 5,000	\$ 5,000
	0	5,000	5,000
	0	50,000	50,000
<b>Total:</b>	<b>0</b>	<b>60,000</b>	<b>60,000</b>



**Misc Projects (NC2325)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 1,000,000	\$ (210,000)	\$ 790,000
<b>Total:</b>	<b>1,000,000</b>	<b>(210,000)</b>	<b>790,000</b>

**Expenditures:**

111-0000-601.90-04 Equipment

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 1,000,000	\$ (210,000)	\$ 790,000
<b>Total:</b>	<b>1,000,000</b>	<b>(210,000)</b>	<b>790,000</b>

**General Project Fund: 311**

**Library Improvements (GP1908)**

**Account Number/Description:**

**Revenues:**

311-0000-364.10-00 Individuals

311-0000-364.30-00 From Non-Profit Groups

311-0000-368.10-54 Series 2016 GO (Nov 4)

311-0000-368.10-56 GO Bonds Series 2018 A

311-0000-368.21-01 Premium From Bond Sale

311-0000-391-01.00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 40,201	\$ 4,000	\$ 44,201
	1,535	10,000	11,535
	17,106	0	17,106
	90,992	0	90,992
	3,378	0	3,378
	69,859	(69,859)	0
<b>Total:</b>	<b>223,071</b>	<b>(55,859)</b>	<b>167,212</b>

**Expenditures:**

311-0000-601.40-41 Premium from Bond Sale

311-0000-601.90-03 Improvements

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 3,153	\$ 0	\$ 3,153
	219,918	(55,859)	164,059
<b>Total:</b>	<b>223,071</b>	<b>(55,859)</b>	<b>167,212</b>

**Library Renovations (GP2300)**

**Revenues:**

311-0000-331.95-00 American Rescue Plan Act

311-0000-368.10-55 Series 2017 A GO Bonds

311-0000-368.10-56 GO Bonds Series 2018 A

311-0000-368.10-72 GO Bonds Series 2023

311-0000-368.21-01 Premium From Bond Sale

311-0000-368.99-00 Miscellaneous

311-0000-391-01.00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 72,000	\$ 0	\$ 72,000
	64,000	0	64,000
	236,000	0	236,000
	4,334,062	0	4,334,062
	112,632	0	112,632
	0	11,509	11,509
	2,406,444	69,859	2,476,303
<b>Total:</b>	<b>7,225,138</b>	<b>81,368</b>	<b>7,306,506</b>

**Expenditures:**

311-0000-601.20-22 Construction Contracts

311-0000-601.20-23 Arch/Eng/Landscaping Fee

311-0000-601.40-41 Bond Sale Expense

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 6,933,201	\$ 81,368	\$ 7,014,569
	246,400	0	246,400
	45,537	0	45,537
<b>Total:</b>	<b>7,225,138</b>	<b>81,368</b>	<b>7,306,506</b>

**BMP Prop Purchase (GP2508)**

**Account Number/Description:**

**Revenues:**

311-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 210,000	\$ 210,000
<b>Total:</b>	<b>0</b>	<b>210,000</b>	<b>210,000</b>

**Expenditures:**

311-0000-601.90-01 Land

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 210,000	\$ 210,000
<b>Total:</b>	<b>0</b>	<b>210,000</b>	<b>210,000</b>

**Sewer Fund: 412**

**Account Number/Description:**

**Expenditures:**

412-5006-501.40-20 Depreciation

412-6996-696.83-02 Sewer Project Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 2,000,000	\$ (200,000)	\$ 1,800,000
	0	200,000	200,000
<b>Total:</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>

**Water Project Fund:451**

**Fieldcrest Phase 1 (WA2551)**

**Account Number/Description:**

**Revenues**

451-0000-391.45-00 From the Water Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 117,111	\$ 117,111
<b>Total:</b>	<b>0</b>	<b>117,111</b>	<b>117,111</b>

**Expenditures:**

451-0000-605.90-03 Improvements

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 117,111	\$ 117,111
<b>Total:</b>	<b>0</b>	<b>117,111</b>	<b>117,111</b>

**Sewer Project Fund:452**

**Fieldcrest Phase 1 (SW2551)**

**Account Number/Description:**

**Revenues**

452-0000-391.42-00 From the Sewer Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 81,326	\$ 81,326
<b>Total:</b>	<b>0</b>	<b>81,326</b>	<b>81,326</b>

**Expenditures:**

452-0000-606.90-03 Improvements

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 81,326	\$ 81,326
<b>Total:</b>	<b>0</b>	<b>81,326</b>	<b>81,326</b>

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

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



**AGENDA ACTION FORM**

**Consideration of a Budget Ordinance for Various Funds FY25**

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

Action Form No.: AF-322-2024  
 Work Session: December 2, 2024  
 First Reading: December 3, 2024

**Final Adoption: December 17, 2024**  
 Staff Work By: Morris  
 Presentation By: McCartt

**Recommendation:**  
 Approve the Budget Ordinance

**Executive Summary:**  
 The General Fund is being amended by accepting a \$1,800 donation to the Fire Department from The Encounter for specialized Rescue Equipment and by transferring \$69,585 from the Police Patrol Salaries line to the To CDBG Fund to meet matching requirements for the Emergency Solutions Grant.

The Community Development Block Grant Fund is being amended by appropriating \$69,585 from the General Fund to the Emergency Solution Grant project (CD2517).

The General Project-Special Revenue Fund is being amended by transferring \$348,804 from the Miscellaneous Project (NC2325) to the Contracted Landscaping project (GP2508) in the amount of \$250,000, to the Contracted Landscaping project (NC2402) in the amount of \$17,585 to cover overages and close the project, to the General Landscaping project (NC2509) in the amount of \$53,969, and by returning \$27,250 to the General Fund for use in the Fire Facilities/Capital project (GP2208). It also transfers \$28,445 from the Street Resurfacing project (NC2300) to the Street Resurfacing project (NC2503) and transfers \$12,800 from the I-26 Gateway Enhancements project (NC2237) to the General Landscaping project (NC2509). It closes NC2237 and NC2402.

The General Project Fund be amended by transferring \$59,072 from the General Park Improvements project (GP2106), \$6,300 from the Facilities ADA project (GP1909), and \$26,807 from the Faci Maint-Improv HVAC project (GP2009) for a total of \$92,179 to the Facilities Maintenance project (GP2506). It also appropriates \$27,250 from the General Fund to the Fire Facilities/Capital project (GP2208). It closes GP1909 and GP2009.

**Attachments:**  
 1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR  
THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE  
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund be amended by accepting a donation from The Encounter for specialized Rescue Equipment to the From Corporations line (110-0000-364.20-00) and appropriated to the Operating Supplies & Tool line (110-3505-451.30-20), by reducing the To Gen Proj-Special Rev line (110-4804-481.70-35) by \$27,250 and increasing the General Project Fund line (110-4804-481.70-36) by \$27,250, and by transferring \$69,585 from the Salaries & Wages line (110-3030-443.10-10) to the To CDBG Fund line (110-4804-481.70-55) to meet matching requirements for the Emergency Solutions Grant.

SECTION II. That the Community Development Block Grant Fund be amended by appropriating \$69,585 from the General Fund to the Emergency Solution Grant project (CD2517).

SECTION III. That the General Project-Special Revenue Fund be amended by transferring \$348,804 from the Misc Project project (NC2325) to the Contracted Landscaping project (NC2508) in the amount of \$250,000, to the Contracted Landscaping project (NC2402) in the amount of \$17,585, to the General Landscaping project (NC2509) in the amount of \$53,969, and returning \$27,250 to the General Fund for use in the Fire Facilities/Capital project (GP2208), by transferring \$28,445 from the Street Resurfacing project (NC2300) to the Street Resurfacing project (NC2503), and by transferring \$12,800 from the I-26 Gateway Enhancements project (NC2237) to the General Landscaping project (NC2509). Close NC2237 and NC2402.

SECTION IV. That the General Project Fund be amended by transferring \$59,072 from the General Park Improvements project (GP2106), \$6,300 from the Facilities ADA project (GP1909), and \$26,807 from the Faci Maint-Improv HVAC project (GP2009) for a total of \$92,179 to the Facilities Maintenance project (GP2506) and by appropriating \$27,250 from the General Fund to the Fire Facilities/Capital project (GP2208). Close GP1909 and GP2009.

**Fund 110: General Fund**

**Account Number/Description:**

**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
110-0000-364.20-00 From Corporations	0	1,800	1,800
<b>Total:</b>	<b>0</b>	<b>1,800</b>	<b>1,800</b>

**Expenditures:**

	\$	\$	\$
110-3030-443.10-10 Salaries & Wages	4,202,760	(69,585)	4,133,175
110-3505-451.30-20 Operating Supplies & Tool	8,323	1,800	10,123
110-4804-481.70-35 To Gen Proj-Special Rev	2,480,152	(27,250)	2,452,902
110-4804-481.70-36 General Project Fund	6,936,074	27,250	6,963,324
110-4804-481.70-55 To CDBG Fund	0	69,585	69,585
<b>Total:</b>	<b>13,627,309</b>	<b>1,800</b>	<b>13,629,109</b>

**Gen Proj-Special Rev Fund: 111**

**Misc Projects (NC2325)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 1,348,804	\$ (348,804)	\$ 1,000,000
<b>Total:</b>	<b>1,348,804</b>	<b>(348,804)</b>	<b>1,000,000</b>

**Expenditures:**

111-0000-601.90-04 Equipment

	\$ 1,348,804	\$ (348,804)	\$ 1,000,000
<b>Total:</b>	<b>1,348,804</b>	<b>(348,804)</b>	<b>1,000,000</b>

**Contracted Landscaping (NC2508)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 250,000	\$ 250,000
<b>Total:</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>

**Expenditures:**

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

	\$ 0	\$ 250,000	\$ 250,000
<b>Total:</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>

**Contracted Landscaping (NC2402)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 207,313	\$ 17,585	\$ 224,898
<b>Total:</b>	<b>207,313</b>	<b>17,585</b>	<b>224,898</b>

**Expenditures:**

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

	\$ 207,313	\$ 17,585	\$ 224,898
<b>Total:</b>	<b>207,313</b>	<b>17,585</b>	<b>224,898</b>

**I-26 Gateway Enhancements (NC2237)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 50,000	\$ (12,800)	\$ 37,200
<b>Total:</b>	<b>50,000</b>	<b>(12,800)</b>	<b>37,200</b>

**Expenditures:**

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

	\$ 50,000	\$ (12,800)	\$ 37,200
<b>Total:</b>	<b>50,000</b>	<b>(12,800)</b>	<b>37,200</b>

**General Landscaping (NC2509)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 0	\$ 66,769	\$ 66,769
<b>Total:</b>	<b>0</b>	<b>66,769</b>	<b>66,769</b>

**Expenditures:**

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

	\$	\$	\$
	0	66,769	66,769
<b>Total:</b>	<b>0</b>	<b>66,769</b>	<b>66,769</b>

**Streets Resurfacing (NC2300)**

**Account Number/Description:**

**Revenues:**

111-0000-331.95-00 American Rescue Plan Act

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 1,227,518	\$ 0	\$ 1,227,518
	3,169,083	(28,445)	3,140,638
<b>Total:</b>	<b>4,396,601</b>	<b>(28,445)</b>	<b>4,368,156</b>

**Expenditures:**

111-0000-601.20-22 Construction Contracts

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

	\$	\$	\$
	3,871,601	355,047	4,226,648
	525,000	(383,492)	141,508
<b>Total:</b>	<b>4,396,601</b>	<b>(28,445)</b>	<b>4,368,156</b>

**Streets Resurfacing (NC2503)**

**Account Number/Description:**

**Revenues:**

111-0000-391.01-00 From General Fund

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 1,800,000	\$ 28,445	\$ 1,828,445
<b>Total:</b>	<b>1,800,000</b>	<b>28,445</b>	<b>1,828,445</b>

**Expenditures:**

111-0000-601.20-22 Construction Contracts

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

	\$	\$	\$
	1,800,000	(9,226)	1,790,774
	0	37,671	37,671
<b>Total:</b>	<b>1,800,000</b>	<b>28,445</b>	<b>1,828,445</b>

**CDBG Fund: 124**

**Emergency Solutions Grant (CD2517)**

**Account Number/Description:**

**Revenues:**

124-0000-337.49-00 Housing & Urban Dev  
124-0000-391.01-00 From General Fund

**Total:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	126,613	0	126,613
	0	69,585	69,585
<b>Total:</b>	<b>126,613</b>	<b>69,585</b>	<b>196,198</b>

**Expenditures:**

124-0000-603.10-10 Salaries & Wages  
124-0000-603.30-10 Office Supplies

**Total:**

	\$	\$	\$
	120,000	69,585	189,585
	6,613	0	6,613
<b>Total:</b>	<b>126,613</b>	<b>69,585</b>	<b>196,198</b>

**General Project Fund: 311**

**General Park Improvements (GP2106)**

**Account Number/Description:**

**Revenues:**

311-0000-364.20-00 From Corporations  
311-0000-364.30-00 From Non-Profit Groups  
311-0000-368.10-55 Series 2017 A GO Bonds  
311-0000-368.10-66 Series 2019 GO Improvement  
311-0000-368.21-01 Premium From Bond Sale  
311-0000-391.01-00 From General Fund  
311-0000-391.69-00 Visitor Enhancement Fund

**Total:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	2,000	0	2,000
	13,000	0	13,000
	26,950	0	26,950
	11,128	0	11,128
	2,104	0	2,104
	165,809	(59,072)	106,737
	5,824	0	5,824
<b>Total:</b>	<b>226,815</b>	<b>(59,072)</b>	<b>167,743</b>

**Expenditures:**

311-0000-601.90-03 Improvements

**Total:**

	\$	\$	\$
	226,815	(59,072)	167,743
<b>Total:</b>	<b>226,815</b>	<b>(59,072)</b>	<b>167,743</b>

**Facilities ADA (GP1909)**

**Account Number/Description:**

**Revenues:**

311-0000-368.10-55 Series 2017 A GO Bonds  
311-0000-368.10-66 Series 2019 GO Improvement  
311-0000-368.21-01 Premium From Bond Sale

**Total:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
	172,598	0	172,598
	319,907	(6,300)	313,607
	35,163	0	35,163
<b>Total:</b>	<b>527,668</b>	<b>(6,300)</b>	<b>521,368</b>

**Expenditures:**

311-0000-601.40-41 Bond Sale Expense  
311-0000-601.90-03 Improvements

**Total:**

	\$	\$	\$
	7,668	0	7,668
	520,000	(6,300)	513,700
<b>Total:</b>	<b>527,668</b>	<b>(6,300)</b>	<b>521,368</b>



**Faci Maint-Improv HVAC (GP2009)**

**Account Number/Description:**

	<b><u>Budget</u></b>	<b><u>Incr/(Decr)</u></b>	<b><u>New Budget</u></b>
<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-368.10-56 GO Bonds Series 2018 A	1,850	(1,850)	0
311-0000-368.10-66 Series 2019 GO Improvement	440,452	0	440,452
311-0000-368.21-01 Premium From Bond Sale	39,590	0	39,590
311-0000-391.01-00 From General Fund	295,680	(24,957)	270,723
<b>Total:</b>	<b>775,722</b>	<b>(26,807)</b>	<b>750,765</b>

**Expenditures:**

311-0000-601.20-22 Construction Contracts	298,672	(18,530)	280,142
311-0000-601.20-23 Arch/Eng/Landscaping	15,875	(500)	15,375
311-0000-601.40-41 Bond Sale Expense	5,042	0	5,042
311-0000-601.90-03 Improvements	457,983	(7,777)	450,206
<b>Total:</b>	<b>775,722</b>	<b>(26,807)</b>	<b>750,765</b>

**Facilities Improvements (GP2506)**

**Account Number/Description:**

	<b><u>Budget</u></b>	<b><u>Incr/(Decr)</u></b>	<b><u>New Budget</u></b>
<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-368.10-56 GO Bonds Series 2018 A	0	1,850	1,850
311-0000-368.10-66 Series 2019 GO Improvement	0	6,300	6,300
311-0000-391.01-00 From General Fund	0	84,029	84,029
<b>Total:</b>	<b>0</b>	<b>92,179</b>	<b>92,179</b>

**Expenditures:**

311-0000-601.90-03 Improvements	0	92,179	92,179
<b>Total:</b>	<b>0</b>	<b>92,179</b>	<b>92,179</b>

**Fire Facilities/Capital (GP2208)**

**Account Number/Description:**

	<b><u>Budget</u></b>	<b><u>Incr/(Decr)</u></b>	<b><u>New Budget</u></b>
<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-331.95-00 American Rescue Plan Act	11,129	0	11,129
311-0000-368.10-69 GO Bonds Series 2021	276,150	0	276,150
311-0000-368.21-01 Premium From Bond Sale	27,121	0	27,121
311-0000-391-01.00 From General Fund	7,500	27,250	34,750
<b>Total:</b>	<b>321,900</b>	<b>27,250</b>	<b>349,150</b>

**Expenditures:**

311-0000-601.40-41 Bond Sale Expense	3,271	0	3,271
311-0000-601.90-03 Improvements	318,629	27,250	345,879
<b>Total:</b>	<b>321,900</b>	<b>27,250</b>	<b>349,150</b>

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

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



**AGENDA ACTION FORM**

**Consideration of a Budget Ordinance for Various Funds FY24**

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

Action Form No.: AF-353-2024  
Work Session: December 16, 2024  
First Reading: December 16, 2024

**Final Adoption: December 17, 2024**  
Staff Work By: Morris  
Presentation By: McCartt

**Recommendation:**  
Approve the Budget Ordinance

**Executive Summary:**  
The Steadman Cemetery Fund budget is being increased by \$170 to cover charges made during the FY 2023-2024 fiscal year. This increase requires a use of \$170 of Fund Balance Appropriations. A remaining Fund Balance of \$2,579 is still available.

The Senior Citizens Advisory Board Fund budget is being increased by \$297,143 to cover charges made during the 2023-2024 fiscal year. This increase requires a use of \$38,054 of Fund Balance Appropriations. A remaining Fund Balance of \$396,715 is still available.

**Attachments:**  
1. Budget Ordinance

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Phillips	—	—	—
Vacancy	—	—	—
Montgomery	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR  
THE YEAR ENDING JUNE 30, 2024; AND, TO FIX THE  
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Senior Citizens Advisory Board Fund be amended by adjusting various revenue lines to actual and increasing the From Fund Balance Appropriations line (621-0000-392.01-00) by \$38,054, and by adjusting various revenue lines to actual and increasing the Senior Trips-Travel line (616-4524-472.20-48) by \$297,143.

SECTION II. That the Steadman Cemetery Trust Fund be amended by increasing the From Fund Balance Appropriations line (621-0000-392.01-00) by \$170, and by increasing the Miscellaneous line (621-4032-463.20-99) by \$170.

**Fund 616: Senior Citizens Advisory Board Fund**

**Account Number/Description:**

**Revenues:**

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
616-0000-341.10-71 Senior Citizens Ceramics	400	2,320	2,720
616-0000-341.10-72 Senior Citizens Crafts	2,890	766	3,656
616-0000-341.10-75 Senior Trips	275,000	176,320	451,320
616-0000-341.10-76 Senior Classes	3,804	0	3,804
616-0000-341.10-78 Lynn View Art & Gift Shop	1,500	1,693	3,193
616-0000-361.22-00 Int LGIP	400	21,379	21,779
616-0000-364.10-00 From Individuals	6	0	6
616-0000-364.20-00 From Corporations	55,000	43,381	98,381
616-0000-368.99-00 Miscellaneous	0	13,225	13,225
616-0000-392.01-00 Fund Bal Appropriations	0	38,054	38,054
<b>Total:</b>	<b>339,000</b>	<b>297,138</b>	<b>636,138</b>

**Expenditures:**

	\$	\$	\$
616-4521-472.30-20 Operating Supplies & Tool	3,975	(1)	3,974
616-4522-472.20-20 Professional/Consultant	7,513	(1)	7,512
616-4522-472.20-99 Miscellaneous	2,003	(1)	2,002
616-4522-472.30-20 Operating Supplies & Tool	11,525	(1)	11,524
616-4523-472.20-40 Travel Expense	538	(1)	537
616-4523-472.30-12 Food	8,183	0	8,183
616-4524-472.20-48 Senior Trips-Travel	278,799	297,143	575,942
616-4525-472.20-20 Professional/Consultant	18,129	0	18,129
616-4525-472.30-20 Operating Supplies & Tool	8,335	0	8,335
<b>Total:</b>	<b>339,000</b>	<b>297,138</b>	<b>636,138</b>

**Fund 621: Steadman Cemetery Trust Fund**

**Account Number/Description:**

**Revenues:**

	<b><u>Budget</u></b>	<b><u>Incr/(Decr)</u></b>	<b><u>New Budget</u></b>
621-0000-361.22-00 Int LGIP	\$ 243	\$ 0	\$ 243
621-0000-392.01-00 Fund Bal Appropriations	2,307	170	2,477
<b>Total:</b>	<b>2,550</b>	<b>170</b>	<b>2,720</b>

**Expenditures:**

621-4032-463.20-99 Miscellaneous	\$ 2,550	\$ 170	\$ 2,720
<b>Total:</b>	<b>2,550</b>	<b>170</b>	<b>2,720</b>

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

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



**AGENDA ACTION FORM**

**Consideration of a Resolution Awarding the Bid for Athletic Uniforms and Sports Equipment to BSN Sports and Authorizing the Mayor to Sign All Applicable Documents**

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

Action Form No.: AF-336-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Committee  
Presentation By: David Frye

**Recommendation:**

Approve the Resolution

**Executive Summary:**

The City of Kingsport issued a Request for Proposal on September 14, 2024, for the City of Kingsport and Kingsport City Schools Athletic Uniforms and Sports Equipment. The proposals were opened on October 9, 2024.

After reviewing the proposals of the two vendors who responded, BSN Sports is the lowest responsible compliant bidder meeting specification for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city. City of Kingsport and its Kingsport City Schools desires to enter into an agreement for athletic uniforms and sports equipment from BSN Sports on an as needed basis,

The Board of Education approved this action on December 10, 2024.

Funding is identified in city and school budgets for athletic uniforms and sports equipment.

**Attachments:**

Resolution  
BidTab

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION AWARDDING THE PROPOSAL FOR THE CONTRACT FOR ATHLETIC UNIFORMS AND SPORTS EQUIPMENT TO BSN SPORTS AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SAME AND ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, proposals were opened on October 9, 2024, for athletic uniforms and sports equipment for use at Kingsport City Schools and by the City Parks and Recreation Department; and

WHEREAS, upon review of the proposals, the board finds BSN Sports is the lowest responsible compliant respondent meeting specification 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 athletic uniforms and sports equipment with BSN Sports with purchases to be made on an as needed basis; and

WHEREAS, the Board of Education approved this action on December 10, 2024; and

WHEREAS, funding is identified in city and school budgets for athletic uniforms.

Now therefore,

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

SECTION I. That a contract for athletic uniforms and sports equipment to be purchased on an as needed basis is awarded to BSN Sports.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a contract with BSN Sports and to deliver the contract and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the contract and this resolution.

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 December 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

Item X11.

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY



## REQUEST FOR PROPOSAL

Sealed Price Proposals for the following will be received by the Procurement Manager until 4:00 P.M., Eastern Time, October 9, 2024, and at that time publicly opened in Conference Room 436, City Hall located at 415 Broad Street., Kingsport, TN. All proposals will be considered for award or rejection at a later date.

PROJECT: City of Kingsport and Kingsport City Schools Athletic Uniforms and Sports Equipment

Documents for the above referenced item are available online at [kingsporttn.gov/city-services/purchasing](http://kingsporttn.gov/city-services/purchasing). Interested parties may also contact the Procurement Department at (423) 229-9419.

By submission of a signed proposal bid, the bidder certifies total compliance with Title VI and Title VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.

No submitted proposals may be withdrawn for a period of sixty (60) days after the scheduled closing time of the receipt of proposals. All proposals shall be signed, sealed, and addressed to the Procurement Manager, City of Kingsport, 415 Broad Street., Kingsport, TN 37660 and marked "Athletic Uniforms and Sports Equipment". The City by its governing regulations reserves the right to accept or reject any or all proposals received, to waive any informalities in bidding and to re-advertise.

PUB1T: 09/14/24

Chris McCartt  
City Manager

## PROCUREMENT PROCESS

- A. Proposals will be received by the Procurement Manager until 4:00 P.M., Eastern Time on October 9, 2024, at which time it will be publicly opened in Conference Room 436, City Hall, 415 Broad Street, Kingsport, Tennessee.
- B. The Sealed Proposal shall be signed by an authorized representative and the sealed envelope addressed as follows:
  - Procurement Manager
  - City of Kingsport
  - 415 Broad Street
  - Kingsport, Tennessee 37660
  - Proposal for Athletic Uniforms and Sports Equipment
- C. An original hard copy, an electronic copy (thumb drive) and four (4) additional hard copies of the Proposal are required.
- D. Proposals, modifications, or corrections received after the scheduled closing time of the receipt of Proposals will not be considered. The City of Kingsport is not responsible for delays in delivery by mail, courier, etc.
- E. No submitted Proposal may be withdrawn for a period of sixty (60) days after the scheduled closing time of the receipt of Proposals.
- F. No oral interpretation will be made to any Proposer as to the meaning of the Proposal Specifications or any part thereof. Each written request for clarification or interpretation shall be made in writing to the City.

NOTE: It is the intent of the City to issue one (1) addendum, if necessary. Written request for clarification and/or interpretation must be submitted via email (ssloan@k12k.com) to the Assistant Procurement Manager, Schools, by the end of the business day, September 27, 2024 and an addendum will be issued by 4:00 P.M., Eastern Time, on October 2, 2024 and will be available online at <https://www.kingsporttn.gov/city-services/purchasing/>. It shall be the Proposer's responsibility to make inquiry as to the addenda issued. All addenda shall become part of the specifications and all Proposers shall be bound by such addenda, whether received by Proposer.

### General Terms and Conditions

- A. Taxes – The City is exempted from Federal Excise Taxes, State of Tennessee and local sales taxes and Proposer must quote prices which do not include such taxes, unless by law the taxes must be a part of the price. Exemption Certificates will be furnished upon request.
- B. Indemnification – The City of Kingsport, its officers, agents and employees shall be held harmless from liability from any claims, damages and actions of any nature arising from the use of any service and/or materials furnished by the Proposer, provided that such liability is not attributable to negligence on the part of the using agency or failure of the using agency to use the materials in the manner outlined by the Proposer in descriptive literature or specifications submitted with the Proposal. The City will not indemnify the successful Proposer.
- C. Patent Liability – The successful Proposer, at his own expense, will defend any suit which may be brought against the City to the extent that it is based on a claim that the goods furnished through a contract/agreement infringes a United States patent, and in any such suit will pay those costs and damages which are attributable to such claims and finally awarded against the City.
- D. Limitation of Remedies – Any remedies in the Proposer's Proposal, to include Agreement, License Product Agreement, Terms and Conditions, Literature, etc., that may be considered in agreement to waive the legal rights of the citizens of the City of Kingsport may be considered cause for rejection.
- E. All agreements related to the purchase and sale of any product pursuant to this bid document will include the following conditions: "Notwithstanding anything in this section to the contrary, any provision of provisions of this Section will not apply to the extent they are (it is) finally determined by a court of competent jurisdiction, including Appellate review if pursued, to violate the laws or Constitution of the State of Tennessee."
- F. Insurance – During any work performed by the successful Proposer(s) on the premises of the City or otherwise, the successful Proposer(s) agrees to take such measures as to effectually prevent any accident to persons or property during or in connection with the work; and especially to indemnify and save harmless the City from all loss, costs, damages, expense and liability for property damage and for bodily injuries to, or death of, any persons, including without limitation, as to both property damage and bodily injury, and the Proposer and the City and their representative agents and employees, occasioned in any way by the acts or omissions of the Proposer, or the Proposer's agents, employees, during or in connection with said work, excepting only property damage, bodily injury or death caused by the sole negligence of the City, its agents or employees.  
The successful Proposer shall maintain such insurance as will protect it from claims under Workers' Compensation Acts and from any claims for bodily injuries, including death, either to its employees or others, and from all claims on account of property damage, which may arise in connection from said work.

All Certificates of insurance and policies shall contain the following clause: "The insurance covered by this Certificate will not be canceled or materially altered, except after thirty (30) days written notice has been received by the City." Insurance required with a minimum of One Million Dollars (\$1,000,000.00) limits are Comprehensive General Public and Professional Liability, Comprehensive Automobile Liability and Owner's Liability. Malpractice Insurance is required with a minimum limit of One Million Dollars (\$1,000,000.00) per occurrence, Five Million Dollars (\$5,000,000.00) aggregate.

This requirement will be effective for the life of any contract/agreement entered into by the Proposer and the City.

- G. F.O.B. – All prices will be quoted F.O.B. Kingsport, Tennessee, delivery to City of Kingsport's location shall be without additional charge.
- H. By submission of a signed Proposal, the Proposer certifies total compliance with Title VI and Title VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.
- I. Contracts and purchases will be made or entered into with the lowest, responsible, compliant Proposer meeting specifications for the particular grade or class of material, work or service desired in the best interest and advantage to the City of Kingsport. Responsible Proposer is defined as a Proposer whose reputation, past performance, and business and financial capabilities are such that he would be judged by the appropriate City authority to be capable of satisfying the City's needs for a specific contract or purchase order.
- J. The City reserves the right to determine the low Proposer either on the basis of the individual items or on the basis of all items included in its Request for Proposal, unless otherwise expressly provided in the Request for Proposal. The City reserves the right to accept any item or group of items of any kind and to modify or cancel in whole or in part, its Request for Proposal. The City reserves the right to award to multiple vendors.
- K. All contracts or purchase orders issued for this award will be governed by the laws of the State of Tennessee. Arbitration is not permitted and if a dispute arises between the parties concerning any aspect of the contract or purchase order and it cannot be resolved by mutual agreement, any party may resort to resolution of the dispute by litigation in the state or federal courts for Kingsport, Sullivan County, Tennessee. The parties waive their right to a jury trial. Mandatory and exclusive venue and jurisdiction for any disputes shall be in state or federal courts for Kingsport, Sullivan County, Tennessee.
- L. The City, in accordance with its governing directives, reserves the right to reject any and all Proposals, to waive any informality or irregularities in Proposals and unless otherwise specified by the Proposer, to accept any item.
- M. All contracts, purchase orders, and any documents or material obtained by the City may be subject to disclosure in whole or in part pursuant to the Tennessee Open Records Act set out in T.C.A. 10-7-503 et seq. without regard to any provision contained in the document declaring information confidential.
- N. All contracts or purchase orders will include a provision that is not assignable by the Proposer without the written consent of the City.
- O. CONFLICT OF INTEREST:
  - 1. No Board Member or officer of the City of Kingsport or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for the City of Kingsport has a direct interest in the award of the vendor providing goods or services.
  - 2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of their immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
  - 3. The grantees or sub-grantees officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
  - 4. Do you or any officers/part-owners/stakeholders/employees of this company have any relative(s) (relatives include spouse, children, stepchildren, or any to whom you are related by blood or marriage) that are currently employed by the City of Kingsport, Tennessee, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or the Kingsport Board of Education? \_\_\_\_\_ Yes \_\_\_\_\_ No  
If you answered yes, please state the name and relationship of the employee or member of the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education member \_\_\_\_\_
  - 5. Are you or any officers/part-owners/stakeholders/employees of this company also employees of the City of Kingsport, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education? \_\_\_\_\_ Yes \_\_\_\_\_ No  
If you answered yes, please state the name of the employee or board member \_\_\_\_\_
  - 6. By submission of this form, the vendor is certifying that no conflicts of interest exist.

P. DRUG FREE WORKPLACE REQUIREMENTS:

1. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

Q. ELIGIBILITY:

1. The vendor is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

R. GENERAL:

1. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
2. Such offer is genuine and is not a collusive or sham offer.

S. IRAN DIVESTMENT ACT:

1. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/proposal, each vendor and each person signing on behalf of any vendor certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each vendor is not on the list created pursuant to § 12-12-106.

T. NON-COLLUSION:

1. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other responder, firm, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Kingsport or any person interested in the proposed award or agreement.
2. The price or prices quoted in the attached offer are fair, proper, and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

U. BACKGROUND CHECK REQUIREMENT FOR SCHOOL SYSTEM SUPPLIERS:

1. In submitting this bid/quote/proposal, you are certifying that you are aware of the requirements imposed by TCA § 49-5-413 (d) to conduct criminal background checks ~~with~~ the Tennessee Bureau of Investigation and the Federal Bureau of Investigation on yourself and any of your employees who may come in direct contact with students or who may come on or about school property anytime students are present. You are further certifying that at no time will you ever permit any individual who has committed a sexual offense or who is a registered sex offender to come in direct contact with children or to come on or about school property while students are present.

V. NON-BOYCOTT OF ISRAEL AFFIDAVIT

1. Concerning the Non-Boycott of Israel Act (TCA 12-4-1 et seq.), by submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not boycotting Israel pursuant to § 12-4-1 and will not during the term of any award. Note: Applicable only to contracts of \$250,000 or more and to suppliers with 10 or more employees.

The City of Kingsport (City) and Kingsport City Schools (KCS) is requesting proposals from qualified and experienced athletic apparel and sports equipment companies for an athletic uniforms and sports equipment agreement for a full range of athletic uniforms, related apparel and sports equipment for all teams supported by KCS Athletic Departments and the City on an as needed basis as per this proposal.

The response to this Request for Proposal will be considered as an offer to contract. Final negotiations on the best offer, if deemed necessary, will be conducted to resolve any minor differences and informalities. After final negotiations, an acceptance of any Request for Proposal offer may or may not be issued by the City and/or KCS.

It is the intent to enter into a mutually beneficial agreement with a company/vendor that meets the scope of work outlined below and any other criteria based on positive relationships with similar clients and partnerships. This agreement is not exclusive and will not restrict the City or KCS from purchasing apparel or equipment from other vendors.

#### Fixed Price Contract

Contract shall be based on a discount percent off Manufacturers published prices. Rates proposed shall be all inclusive, including, but not limited to shipping costs or other fees. All discounts and rates are fixed for the duration of the contract and are not subject to escalation for any cause, except the retail prices of the items which shall be as stated in the current published Contractor price catalog. The awarded vendor may update the manufacturer's price list during the contract period on anniversary dates or as issued by the manufacturer to reflect new products, supplier's price changes, and deletion of discontinued products, etc. Vendor shall provide the Schools with copies of price list(s) as issued by the manufacturer and as requested by the Schools.

Price decreases or discount increases are permitted and encouraged at any time.

#### Term of Contract

The contract will be awarded for a period of one (1) year beginning July 1, 2025, with an option to renew on an annual basis in one (1) year increments providing all terms, conditions, and cost are acceptable to both parties. Only at renewal will prices be reconsidered. The City reserves the right to re-bid at the end of any contract period.

A sample copy of the vendor's agreement may be submitted with the proposal for the City's consideration. The City of Kingsport may choose to use their standard service contract in lieu of vendor's agreement.

#### Samples

Samples or demonstrators, when requested, must be furnished free of expense to City of Kingsport and Kingsport City Schools and shall be delivered within 10 calendar days of request. Samples will be returned after reasonable examination. Samples should show vendor's name, address, proposal, and item number.

#### Quantities

All quantities are estimates only, with no guarantees. Quantities will be ordered based on as needed basis as per contract pricing. Estimated annual spend for High School Athletics is \$158,000 and Middle School Athletics is \$40,000, based on previous year.

DOBYNS-BENNETT HIGH SCHOOL

Athletic Support Staff: 11

<u>Boys</u>	<u>Number on Team</u>	<u>Number of Coaches</u>
Football	119	16
Basketball	28	6
Cross Country	25	2
Track	32	4
Soccer	34	3
Wrestling	32	4
Golf	11	2
Swimming	28	3
Baseball	39	8
Tennis	12	2
Bowling	11	1
Volleyball	17	1

<u>Girls</u>	<u>Number on Team</u>	<u>Number of Coaches</u>
Basketball	29	4
Cross Country	21	2
Track	28	4
Soccer	27	3
Golf	6	2
Swimming	30	3
Softball	29	4
Tennis	21	2
Bowling	7	1
Volleyball	34	5
Cheerleading	27	2
Dance	17	3

ROSS N. ROBINSON MIDDLE SCHOOL

Athletic Support Staff: 2

<u>Boys</u>	<u>Number on Team</u>	<u>Number of Coaches</u>
Football	54	6
Basketball	26	2
Baseball	26	2
Golf	9	1
Swimming	20	1
Track	25	2
Cross Country	30	1
Wrestling	40	3

<u>Girls</u>	<u>Number on Team</u>	<u>Number of Coaches</u>
Basketball	24	2
Cross Country	30	1
Track	25	2
Golf	6	1
Swimming	15	1
Softball	25	2
Volleyball	28	2
Cheerleading	16	2
Dance	15	2

JOHN SEVIER MIDDLE SCHOOL

Athletic Support Staff: 2

<u>Boys</u>	<u>Number on Team</u>	<u>Number of Coaches</u>
Football	76	8
Basketball	26	2
Baseball	24	2
Track	25	2
Cross Country	35	1
Golf	7	1
Swimming	6	1
Wrestling	15	2

<u>Girls</u>	<u>Number on Team</u>	<u>Number of Coaches</u>
Basketball	24	2
Cross Country	9	1
Track	25	2
Softball	24	2
Volleyball	26	2
Cheerleading	14	2
Golf	3	1
Swimming	8	1
Dance	12	2

\*\* All teams and quantities provided above are subject to change.

Item X11.

## REQUIREMENTS

### Minimum Requirements

Must be licensed to do business in the State of Tennessee.

Must provide catalog(s) and completed fee/pricing schedule signed by an authorized Company Signatory with proposal.

Must have carefully read and understand all parts of the Request for Proposal and certify that the proposal is made in accordance therewith.

### Specific Requirements

City of Kingsport - Kingsport City Schools intends to enter into an agreement for athletic uniforms and sports equipment including but not limited to:

- Official game clothing
- Practice gear – shorts, t-shirts
- Competition shoes (will need to be flexible) – cleats, turf, basketball, volleyball, rack, golf
- Training and Travel Shoes – turf, tennis shoes, and slides
- Team travel / warm-up suits
- Staff and Coaching gear – shorts, pants, polo shorts
- Coaching shoes - turf, tennis shoes, and slides
- Travel bags
- Socks
- Knee pads, protective gear & accessories, etc.
- Services: screen printing, embroidery, sublimation, etc.
- Athletic equipment

City of Kingsport - Kingsport City Schools recognizes that not all vendors may carry all the items requested. We seek the best offer from each vendor, addressing as many of our outfitting needs as possible while helping athletics reach its most competitive potential. Multiple contracts may be considered as may be in the best interest of the City of Kingsport and Kingsport City Schools.

All apparel and accessories provided in this Request for Proposal must be new. Items which are used, demonstrators, obsolete, seconds, or which have been discontinued are unacceptable.

### Submittal items:

A proposal for Apparel to outfit athletic coaches, players, and staff members may include:

- A specific dollar cap and catalogs to determine the offer or, preferably, a team- by-team specific apparel offer to specifically address the needs of our sports programs.
- Description on how your firm plans to provide uniform and apparel supplies for each athletics program, support personnel and support programs.



- Include information on how apparel items would be priced, e.g. a price list of all typical apparel/uniform items along with a description of the product and of the discount from list price that are offered by the bidder.
- In addition, please provide information relating to the firm's products and describe how the City and Kingsport City School will obtain products on a routine and emergency basis.
- Include information relating to delivery schedules for products, return policies, warranties, and information on any additional costs (including pricing for screen printing, embroidery, and sublimation if necessary). Bidder will have the ability to produce all the following:
  - Ability to provide high quality competition uniform / game apparel
  - Ability to provide high quality practice apparel
  - Ability to provide high quality travel apparel
  - Ability to provide high quality sideline apparel
  - Pricing of materials, include details of custom, semi-custom, & stock costs.
  - Describe Details of the extent to which provider's products must be used, including minimum acceptable consideration
  - Penalties on the provider for failure to perform/deliver
  - Quality of apparel
- Annual merchandise allotment for the Kingsport City Schools Athletics
- Initial signing bonus or spending credit to Kingsport City Schools Athletics
- Ability to provide replacements for all goods on an emergency basis, including details on policies, timing, and availability
- How availability of all cataloged items will be guaranteed
- Provide information on those individual(s) assigned to work with the City and the Kingsport City Schools Athletics Departments including their contact information, their role, and a description of their experience in providing support for this type of program. This person will be expected to meet with Athletics Departments upon request only to ensure the contract is being effectively met. This person will be responsible for coordinating any marketing and advertising needs.
- Explain any scholarship programs available and how that program will work.
- Explain your invoicing and billing procedures and provide a sample invoice and statement. All billing (invoices) will be addressed to the City of Kingsport, Finance Department–Accounts Payable, 415 Broad Street, Kingsport, TN 37660. Include in description the location or department in the City that made the purchase.

Award Consideration

The firm's marketing and licensing strategies and requirements for authentic equipment and apparel should be outlined for review. Provide information relating to the firm's products and ordering instructions and processing returns on routine and emergency basis. Include your delivery schedule for products (including standard and special sizes). Please include the number of business days to process an order and a return.

Graphic Identity and Trademark Policy

Contractor must adhere to City of Kingsport and Kingsport City Schools Trademark Policy. After contract execution, City of Kingsport and Kingsport City Schools will purchase contractor's brand on normal athletics purchasing cycles but will continue to use existing inventory. If a vendor will be providing a different brand other than that being currently utilized by Kingsport City Athletic Team (majority have Nike) and wishes to convert existing inventory, contractor will be required to assume all costs necessary for conversion. Please explain your policy on replacement uniforms.

Proposal Format:

Section	Title	Information to be Included:
1	Proposal form	Signed Proposal Form
2	Company & Product Information Overview	Vendors must include an overview of the company, particularly as it relates to the proposed services. Provide information on those individuals assigned to work with the Schools including a description of the vendor's experience in providing support for this type of program.
3	Partnership Agreement	Provide an overview of your Partnership Agreement. This overview should address a business direction and partnership. The vendor may include a sample project plan in this section. Clearly define the roles expected to participate in this mutually beneficial partnership
4	Ordering / Customer Service	Provide an overview of ordering and customer services. Explain your delivery schedule and return policy. Describe your methodology for identifying new products and services.
5	Cost Proposal	No financial statements are required to be submitted with your proposals; however, prior to an award the City may request financial statements from your company. Provide a complete cost proposal which includes: <ul style="list-style-type: none"><li>- Pricing options – Proposals must include any discounts to Schools off the Manufacturer's Suggested Retail Price (MSRP).</li><li>- Include tiered or volume discounts and incentives</li><li>- Indicate if various pricing applies to standard sizes vs. extended sizes.</li></ul>
6	References	Provide three (3) examples of education institutions of our size who have a successful athletic team apparel program in place.
7	Practice Gear	Will it be a necessity to use practice gear by your company? Please go over your policy.
8	Compliance Affidavit Form	Return completed, sign and notarized Compliance Affidavit Form
9	Other	Any other documents/information request in this proposal

Proposal Evaluation Criteria

The following is a listing of general and specific criteria used for the evaluation of this Request for Proposal. The areas include, but are not limited to:

General quality of responsiveness from proposer:

- Ability to meet all terms and conditions as specified
- Completeness and thoroughness of proposal
- Grasp of scope of work to be performed
- Description of approach to be taken
- Evidence of good organizational and management practices
- Provide information (names and locations) on those individuals assigned to work with the schools.
- References/past experience in providing comparable services to other large high schools.

Specific areas that will be evaluated:

- Quality of the proposer's overall proposal content
- Inventory availability for vendor's products
- Financial proposal, including but not limited to pricing levels, discounts, incentives, customer service plan and delivery schedule proposed.
- Marketing and advertising support
- Sponsorships
- Examples of invoices and billing procedures processes.

**City of Kingsport – Kingsport City Schools**  
**Athletic Uniforms and Sports Equipment**  
**REFERENCE FORM**

Provide three similar contract references and return with proposal.

**Reference #1**

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

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

Phone Number: \_\_\_\_\_

Number of years servicing this account: \_\_\_\_\_

**Reference #2**

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

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

Phone Number: \_\_\_\_\_

Number of years servicing this account: \_\_\_\_\_

**Reference #3**

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

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

Phone Number: \_\_\_\_\_

Number of years servicing this account: \_\_\_\_\_

**COMPLETE AND SUBMIT WITH PROPOSAL**

*Item X11.*

**City of Kingsport – Kingsport City Schools**  
**Athletic Uniforms and Sports Equipment**  
**PROPOSAL FORM**

The undersigned hereby offers the following proposal for consideration by the City of Kingsport – Kingsport City Schools for ATHLETIC UNIFORMS AND SPORTS EQUIPMENT in accordance with the terms, conditions, and specifications contained herein.

COST AND RATE proposals shall be offered on separate sheets attached to this proposal page(s); however, this signed page must be included with return proposal package.

Company: \_\_\_\_\_

By: \_\_\_\_\_

(Signature of authorized agent)

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

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

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

**MUST BE SIGNED AND SUBMITTED WITH PROPOSAL TO BE VALID**

*Item X11.*

COMPLIANCE AFFIDAVIT(S) (TOTAL OF 2 PAGES)

THIS COMPLIANCE AFFIDAVIT MUST BE SIGNED, NOTARIZED AND INCLUDED WITH ALL BIDS – FAILURE TO INCLUDE THIS FORM WITH THE BID SUBMITTED SHALL DISQUALIFY THE BID FROM BEING CONSIDERED.

VENDOR: \_\_\_\_\_

CONFLICT OF INTEREST:

1. No Board Member or officer of the City of Kingsport or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for the City of Kingsport has a direct interest in the award of the vendor providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of their immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
3. The grantee's or sub-grantees officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
4. Do you or any officers/part-owners/stake-holders/employees of this company have any relative(s) (relatives include spouse, children, stepchildren or any to whom you are related by blood or marriage) that are currently employed by the City of Kingsport, Tennessee, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or the Kingsport Board of Education?  
\_\_\_\_\_ Yes \_\_\_\_\_ No

If you answered yes please state the name and relationship of the employee or member of the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education member  
\_\_\_\_\_

5. Are you or any officers/part-owners/stake-holders/employees of this company also employees of the City of Kingsport, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education? \_\_\_\_\_ Yes \_\_\_\_\_ No

If you answered yes please state the name of the employee or board member  
\_\_\_\_\_

6. By submission of this form, the vendor is certifying that no conflicts of interest exist.

DRUG FREE WORKPLACE REQUIREMENTS:

7. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

ELIGIBILITY:

8. The vendor is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

GENERAL:

9. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
10. Such offer is genuine and is not a collusive or sham offer.

IRAN DIVESTMENT ACT:

11. Concerning the Iran Divestment Act ( TCA Item X11. et seq.), by submission of this bid/quote/proposal, each vendor and each \_\_\_\_\_ ing on behalf of any vendor certifies, and

in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each vendor is not on the list created pursuant to § 12-12-106.

NON-COLLUSION:

12. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other responder, firm, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement ,or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Kingsport or any person interested in the proposed award or agreement.
13. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

BACKGROUND CHECK REQUIREMENT FOR SCHOOL SYSTEM SUPPLIERS:

14. In submitting this bid/quote/proposal, you are certifying that you are aware of the requirements imposed by TCA § 49-5-413 (d) to conduct criminal background checks through the Tennessee Bureau of Investigation and the Federal Bureau of Investigation on yourself and any of your employees who may come in direct contact with students or who may come on or about school property anytime students are present. You are further certifying that at no time will you ever permit any individual who has committed a sexual offense or who is a registered sex offender to come in direct contact with children or to come on or about school property while students are present.

NON-BOYCOTT OF ISRAEL AFFIDAVIT

15. Concerning the Non-Boycott of Israel Act (TCA 12-4-1 et seq.), by submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not boycotting Israel pursuant to § 12-4-1 and will not during the term of any award. Note: Applicable only to contracts of \$250,000 or more and to suppliers with 10 or more employees.

The undersigned hereby acknowledges and verifies that the response submitted to this solicitation is in full compliance with the applicable laws/listed requirements. The undersigned also declares under penalty of perjury under the laws of the State of Tennessee that the foregoing is true and correct.

SIGNED

BY: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME THIS DATE: \_\_\_\_\_

BY (NOTARY PUBLIC): \_\_\_\_\_

MY COMMISION EXPIRES ON: \_\_\_\_\_





**BSN SPORTS®**

COLLEGIATE  
SELECT

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# CITY OF KINGSPORT & KINGSPORT CITY SCHOOLS

**Athletic Uniforms and Sports Equipment For Kingsport City Schools**

▶ **Attention:**  
Chris McCartt,  
City Manager

▶ **Chris Bloomfield**  
14460 Varsity Brands Way  
Farmers Branch, TX 75224

*Item X11.*



Section 1

**City of Kingsport – Kingsport City Schools  
Athletic Uniforms and Sports Equipment  
PROPOSAL FORM**

The undersigned hereby offers the following proposal for consideration by the City of Kingsport – Kingsport City Schools for ATHLETIC UNIFORMS AND SPORTS EQUIPMENT in accordance with the terms, conditions, and specifications contained herein.

COST AND RATE proposals shall be offered on separate sheets attached to this proposal page(s); however, this signed page must be included with return proposal package.

Company: Bsn Sports LLC

By:   
(Signature of authorized agent)

Name: Chris Bloomfield

Title: National Bid Director

Address: 14460 Varsity Brands Way  
Farmers Branch, TX 75244

Phone: 800-527-7510 x7324

Fax: 800-365-7653

E-mail: bsnbid@bsnsports.com

Date: 09/27/2024

**MUST BE SIGNED AND SUBMITTED WITH PROPOSAL TO BE VALID**

*Item X11.*



**Section 2**  
**Company & Product Information Overview**

Since our founder started selling tennis nets out of the trunk of his car in 1972, BSN SPORTS has been a family run company focused on one core principle – SERVICE. There is nothing more important to us, and nothing that sets us apart more, than our passion for serving our coaches and partners - because every second we can save a coach off the field or court allows them more time to transform the lives on it.

We are the largest direct selling manufacturer, marketer, and distributor of sporting goods to institutional markets in the United States. BSN is headquartered in Dallas, TX with over 3,931 employees, including over 1,346 sales professionals across the country. BSN is the only company of its kind and size in servicing the elementary, varsity and collegiate educational markets. We are proud to have over 150,000 customers with active accounts in every zip code.

We offer over 50,000 products – the largest assortment in the industry – including a complete line of branded products from some of the nation’s most trusted and recognized brands. It is truly a position of pride for us to be a complete one-stop-shop that provides unparalleled service, quality, product breadth and value.

It is our desire to enter into an RFP # City of Kingsport and Kingsport City Schools Athletic (“City of Kingsport”). Not only are we able and willing to create a valuable partnership experience for your community, but we are also genuinely excited for the opportunity to perform the services needed as stipulated within the Extension of Preferred Supplier Agreement- for the City of Kingsport/Kingsport City Schools. In the pages to follow we will address several of the ways we differentiate ourselves from any other competitor in our industry, including but not limited to:

- Campus Support Network and Customer Service
- Product Availability and Selection
- Innovative Solutions
- Supply Chain & Distribution

Thank you for the opportunity to partner with City of Kingsport and Kingsport City Schools and we look forward to your decision.

Chris Bloomfield- National Bid Director  
Phone: 800-527-7510 x7324  
Email: bsnbid@bsnsports.com  
BSN SPORTS, LLC  
P.O. Box 7726, Dallas, TX 75209  
BSN SPORTS LLC, FTIN: 22-2759073



We are honored to have the opportunity to present a proposal to you today and appreciate your time.

As you will see in the enclosed documents, we are bringing forth a truly one-of-a-kind deal that can add significant value to your athletic program and broader community via access to exclusive product, service guarantees, exclusive experiences, continued education for coaches and reward back on every purchase. Being the largest Nike team distributor in the Country comes with benefits to our partners that are tough to match. That said, we expect you will get other good offers from our competitors, so it is important you know a bit more about us as you consider all options.

Started in 1972 with our founder selling tennis nets out of the trunk of his car, BSN SPORTS is still a family run company focused around one core principle – SERVICE. There is nothing more important to us, and nothing that sets us apart more, than our passion for serving you: School Administrators, Athletic Directors, and Coaches who impact more lives in a year than most people do in a lifetime. The more time we can save you off the field, the more time you will have to impact lives on it, which is why we do everything we possibly can to make your lives easier. This includes:

- Our commitment to be on campuses at least once a month (or whenever you need us)with comfort knowing we are always a short drive away.
- Unmatched inventory management systems that give us the ability reduce backorders by checking real time product availability from multiple vendors and our warehouses before we ever leave your office.
- Your own customized Team Art Locker, a treasure chest of innovative designs and artwork your athletes and community will love.
- Digital player and fan wear storefronts that automate the team shop process and give coaches time back in their day.
- Access to our sister brands at VIP Branding, and Varsity Spirit that give us the unique ability to help you transform your brand and elevate ALL aspects of student life.
- And a LOT more...

Per your request we have also included a short video with messages from our leadership team that breaks down our proposal and brings to life some of the things we do that we believe are a unique company to our industry. Best of luck throughout the process and please do not hesitate to reach out to us with any questions.

<https://www.bsnsports.com/aboutus>.



## Proposer Qualifications and Experience

### BSN SPORTS History

BSN SPORTS LLC was founded in 1972 and currently employs over 3,931 employees nationwide, with over 1,346 of those employees as field Sales Professionals.

### BSN SPORTS Financial Strength and Stability

With record sales this past year, serving over 150,000 customers across 30,000 institutions that includes over 1,000 higher education campuses, BSN SPORTS is in a very strong, well diversified financial position.

Dunn and Bradstreet Info:  
BSN Sports LLC – D&B Rating: 1R4  
D&B Number: 176-33-2310

Bank Information:  
Bank of America NA  
901 Main Street  
Dallas, TX 75202  
Contact: Tershea Green  
Phone: 214-209-4772  
Email: [tershea.L.green@bsml.com](mailto:tershea.L.green@bsml.com)

Federal Tax Identification Number: 22-2759073

*If any additional financial information is required, please know that all financial information is considered Privileged and will require a copy of our NDA (non-disclosure agreement) which will need to be signed and returned to BSN SPORTS LLC before we are allowed to send you our current company financial portfolio. If required, please reach out to Simon Chen at [schen@bsnsports.com](mailto:schen@bsnsports.com).*

### Sales Volumes for Past 6 Calendar Years

- 2018: \$951.9 M.
- 2019: \$1,078.0 B.
- 2020: \$945.9 M. (unaudited)
- 2021: \$1,197.1 B. (unaudited)
- 2022: \$1,513.3 B. (unaudited)
- 2023: \$1,683.5 B. (unaudited)



### Key Reasons to Partner with BSN SPORTS

- **Critical Mass:** BSN is the largest marketer, manufacturer, and direct distributor in the sporting goods market. With size comes the strongest domestic and international buying power in our industry, allowing us to seek the lowest cost possible by leveraging our buying power in negotiations.
- **Value:** Critical mass and our factory direct sales model brings the ability to pass savings on to the end user and provide customers with pricing that is 10-30% less than other suppliers on comparable products.
- **Product Availability:** A major difference between BSN and competitors is the amount of product ready to be customized and shipped out of our facilities. BSN carries over \$150 million in on hand inventory, from equipment and apparel to bleachers and field goals, and is the only company in the industry capable of fulfilling large orders to schools, parks, and recreation departments and even the federal government within tight timelines.
- **Diversification:** BSN's various warehouses totaling over 900,000 square feet of space act as the backbone for this product distribution effort. From the millions of apparels, uniform and footwear units stocked across our distribution centers to the internally operated decoration facilities that ship over 9 million fully customized made to order items annually, our end-to-end service is unmatched.
- **Technology:** BSN is established on SAP and has used this software to separate itself from competitors since 1999. SAP gives employees instant access to the information customers need: product availability, pricing, and order status. We equip every one of our field Sales Professionals with an iPad that includes our proprietary application that connects them to inventory levels instantly. Not only do they have visibility to BSN SPORTS inventory, but they are also integrated to our strategic brand partner's inventory. This allows our sales team to access real-time availability and not waste valuable time of equipment managers and coaches when orders need to be entered.
- **Service, Expertise & Tenure:** Our team of Sales Professionals, Sales Support and Customer Support counterparts understand the true needs of our customers. As past coaches, Athletic Directors, Professional Athletes, and even Olympians, you will work with sportspecific experts who will always seek the best solution for our partners – and if they don't have the immediate answer, they have the industry's best team to find it. Simply put, our employees believe in what they do every day at BSN SPORTS. Over 100 employees have been with the company for at least 20 years, 230 for at least 15 years, and over 500 have been with the company for at least 10 years.
- **Team / Fan Shops:** BSN offers a service known as My Team Shops ("MTS"). These proprietary online stores offer an assortment of products chosen by shop coordinators that are purchased, processed, and delivered to campus for distribution to players or shipped directly



to parents and fans. Shops can be launched in minutes, not days. All purchases count towards applicable.

### Diversity

BSN sports is not a MWBE organization, but we are a current supplier of MWBE vendor organizations throughout the Sporting goods industry.

*(New Corporate Headquarters – Corporation)*

Varsity Brands Holding Company Inc.

dba BSN Sports LLC.,

14460 Varsity Brands Way,

Farmers Branch, TX 75224

Years in Business: Incorporated on April 21, 1982, in Delaware

### Supply Chain, Decoration and Distribution

BSN SPORTS stocks over 12 million units of apparel, footwear and hardgoods across five distribution centers throughout the country with over 900,000 square feet of warehouse space. Each year, 27 million units of product moves through these distribution centers using state-of-the-art goods to picker solutions. 9 million of those units are fully customized, made to-order.

Of our internal decoration facilities, two of them are considered the largest small run decorators in the United States, supporting all different sales channel orders through cutting edge decoration and warehouse technology. These facilities utilize screen printing, embroidery, digital fusion, UV printing, laser engraving and wide format printing. They operate multiple shifts with over 1,000 employees that work around the clock to support customer needs, and all facilities are third-party audited to ensure environmental, health and safety standards are met.

### Onsite Project Management and Quality Assurance

As an exclusive supplier and partner to City of Kingsport and Kingsport City Schools, BSN will not only provide a dedicated local BSN Sales Professional, but also the extensive support network to that Sales Professional. Our Territory Managers, Area Sales Managers, Regional Sales Directors, and product category experts are an additional line of communication and support so that City of Kingsport and Kingsport City Schools receives an entire network of expertise and oversight.

The Sales Professional will be on campus as requested and at a minimum of once a month for the first three months. After that, he will work with the administration and coaching staffs to





determine a future plan for campus visits that benefits all parties.

#### Meeting or Exceeding Minimum Service Qualifications

- BSN will be able to deliver stock, digital (modified), and custom uniforms.
- BSN will be able to deliver men's and women's cuts in uniforms, apparel, and all footwears.
- BSN will be able to deliver both tall/long and plus sizes in both uniforms and select apparel.
- BSN will be able to deliver footwear in standard as well as wide/large sizes.
- BSN will be able to provide onsite services such as sizing/measuring.
- BSN will coordinate delivery dates within a timely manner (see Project Schedule)
- BSN will communicate details on minimum orders and return and exchange policies (included in Customer Service Plan)
- BSN will accept City of Kingsport/Kingsport City Schools purchase orders.
- BSN will offer additional financial incentives aside from discounted pricing (see Financial Proposal section)
- BSN has included other information deemed important for evaluation purposes including but not limited to key reasons to partner with BSN SPORTS, innovative concepts, and
- details of our one stop-shop breadth of inventory, supply chain, and distribution services.





Customer Service Plan

Onsite Project Management and Quality Assurance

**Carlos (C.J.) Lee**- Field Sales Pro.

Office: Bristol, VA.

Phone # 423-383-1931.

Email: [cjlee.bsnsports.com](mailto:cjlee.bsnsports.com).

**Lisa Baker**- Customer Service Representative.

Office: Davie, FL.

Phone # 727-287-4138.

Email: [lbaker@bsnsports.com](mailto:lbaker@bsnsports.com).

**Christopher Higdon**- Territory Manager.

Office: Farmers Branch, TX.

Phone # 972-884-7587.

Email: [chigdon@bsnsports.com](mailto:chigdon@bsnsports.com).

**Matthew Pendleton**- Sales Manager.

Office: Bristol, VA..

Phone # 423-956-3287.

Email: [mpendleton@bsnsports.com](mailto:mpendleton@bsnsports.com).

**Chris Bloomfield** - National Bid Manager.

Office: Farmers Branch, TX.

Phone # 800-527-7510 x7324.

Email: [bsnbid@bsnsports.com](mailto:bsnbid@bsnsports.com).

**Chuck Rouse**- Area Sales Manager.

Office: Knoxville, TN.

Phone # 865-256-8858.

Email: [crouse@bsnsports.com](mailto:crouse@bsnsports.com).



**BSN COLLEGIATE CATEGORY MANAGEMENT TEAM (SPORT EXPERTS  
AVAILABLE TO COLLEGIATE PARTNERS FOR SPORT SPECIFIC INQUIRIES)**

TOM HARDY – LACROSSE  
NIKKI STEVENSON – LACROSSE  
DANNY IRIZARRY - SOCCER  
AUSTEN BROWN – TRACK & FIELD  
ZACK GATWOOD- FOOTBALL  
MEGAN NEE – SWIMMING  
DYLAN BRISCOE – TENNIS / GOLF / RUGBY  
MASON SNYDER – HEADWEAR  
BRENT FLYNN - BASKETBALL  
NATALIE BROCK – SOFTBALL  
ABBY WEBB – VOLLEYBALL  
NICK NEWMAN – STRENGTH AND FITNESS  
SAMANTHA FLOOD – FIELD HOCKEY  
JENNA POWELL-WOLF – CORPORATE

**Term of Contract:**

The contract will be awarded for a period of one (1) year beginning July 1, 2025, with an option to renew on an annual basis in one (1) year increments providing all terms, conditions, and cost are acceptable to both parties. Only at renewal will prices be reconsidered. The City reserves the right to re-bid at the end of any contract period., mutually agreed upon by both BSN Sports LLC and the City of Kingsport and Kingsport City Schools.



**Section 3**  
**Partnership Agreement**

**Relationship with NIKE**

BSN SPORTS is a strategic partner of over 20+ years with NIKE and is the largest NIKE team Dealer in the United States. This continued commitment to the NIKE brand affords BSN the opportunity to take advantage of special promotions and products offered only to BSN customers. BSN warehouses over \$45M in NIKE product in our facilities, giving it the largest inventory of NIKE product nationally, second only to NIKE themselves. BSN is recognized nationally as the go-to dealer for NIKE product and our commitment to NIKE as a flagship brand means a higher level of understanding of the NIKE products and how those products can best be applied to your campus.



**March 9, 2023**

To Whom It May Concern,

This letter serves to notify you that BSN Sports is designated as the authorized dealer for Nike. BSN Sports is also authorized to market, sell, distribute, warrant, or supply and product or service offered by Nike through BSN Sports.

If you have any questions or need additional information, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Bill Daye".

**Bill Daye**  
**Director NA Team College/Promo**

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## Section 4

### Ordering/Customer Service

#### Customer Service Plan

##### Onsite Project Management and Quality Assurance

- BSN will accept City of Kingsport and Kingsport City Schools purchase orders.
- BSN will offer additional financial incentives aside from discounted pricing (see Financial Proposal section)
- BSN has included other information deemed important for evaluation purposes including but not limited to key reasons to partner with BSN SPORTS, innovative concepts, and details of our one stop-shop breadth of inventory, supply chain, and distribution services improper storage.
- BSN will meet & exceed all Quality assurances from the City of Kingsport and Kingsport City Schools - the measurement of success is: On-Time Deliveries, Frequent Communication with the City of Kingsport and Kingsport City Schools Staff & your overall satisfaction with BSN.
- BSN can provide all embellishment services including screen printing, embroidery, tackle twill, sublimation, performance flex and other new forms of lettering. We will collaborate with each coach and send approval of all art requested. All embellishment will be quoted at time of request from school/coach. We will follow all guidelines given to us from the ordering school and school Representatives. In addition to utilizing local certified decorators, BSN SPORTS owns a state-of-the-art production facility in Indianapolis and a decoration facility in Dallas, Texas, and Pennsylvania.
- BSN will also provide a uniform order schedule to help maximize arrival of new uniforms and we also have access to exclusive uniform styles that can be used by the athletic teams. BSN Sports provides online billing to help streamline invoices and payments. We provide tracking information on shipments from our warehouse to the school to allow coaches to know when items are scheduled to arrive. BSN Sports has at once inventory feed to our inventory including many apparel vendors. All coaches/school departments will have access to all our brands for any apparel/equipment needs.
- Dallas AVE K, Embroidery location: 325,000 sq. ft of production and warehouse space. Currently BSN's largest owned manufacturing facility, roughly 115,000 sq. ft of production space with 35-40% room for growth, 23 screen print presses, 89 heads of embroidery, 36 heat presses , 5 sublimation printers , 2 Digital Direct-To-Garment Printers , Pre-production automation in screen processing and digital fusion creation , Roughly 120,000 sq. ft of inventory storage space with about an average of 35-40% room for growth , 10 dock plates, 300+ fully staffed on a single shift / 600+ double shift.

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City of Kingsport

RFP: Athletic Uniforms and Sports Equipment Bid for Kingsport City Schools

Due: 10/09/2024 @ 4 PM EST

Item X11.



Customer Service Plan (continued)

BSN agrees to provide a proof of screen printing or embroidery to the City of Kingsport and Kingsport City Schools representative prior to printing, utilizing the City of Kingsport and Kingsport City Schools Athletic font, colors, and logos for all printed goods. The trademarked logos will not be altered, reproduced, or used outside of City of Kingsport and Kingsport City Schools.

BSN will provide an efficient ordering and delivery process to accommodate scheduled and unscheduled (emergency) purchases.

BSN will package and ship, in quantities specified, on a timely basis. Packaging and shipping shall be provided with adequate protection against damage and deterioration.

BSN acknowledges that inspection of goods and services will be conducted by the City of Kingsport and Kingsport City Schools Representative at point of delivery. Material not in accordance with specifications will be returned at the BSN's expense.

BSN shall guarantee the original purchase for one year from the date of purchase and acceptance by owner, and BSN will replace or repair any defective product during the guarantee period, excluding any item which has been subjected to accident, alterations, abuse, misuse or neglect by the City of Kingsport and Kingsport City Schools or its employees or that is caused by normal wear and tear.

BSN will ensure availability of a wide variety of sizes for each apparel item, including accommodating big and/or tall student-athletes and coaches.

BSN will commit to multiple service visits per year to campus to meet with coaches, directors of operations, administration for quality assurance and relationship building.

BSN acknowledges that if BSN doesn't provide sufficient equipment such as event specific footwear or other necessary equipment/accessories, City of Kingsport and Kingsport City Schools is allowed to use other providers for those items.

BSN acknowledges the ability to connect important team issued gear items such as coaches polo's, baseball style hats, warmups provided to retail stores in timely & efficient manner.

BSN will provide exclusive gear for Student Athletes that is not available at retail.

BSN will keep open and continual communication with City of Kingsport and Kingsport City Schools athletics administration on all branding initiatives.



### Customer Service Plan (continued)

BSN will keep open and continual communication with the Kingsport City Schools athletics administration and licensing agent (Collegiate Licensing Company - Learfield) on royalties.

BSN will strive to enhance Kingsport City Schools athletics brand with current student athletes, perspective student athletes & fans.

### Software inventory / Order Management System

- BSN Sports utilizes state of the art E-commerce Technology with a Magneto e-commerce platform fully integrated with its SAP ERP system. The benefits to this integrated site are that bid customers will see negotiated bid pricing during the online shopping experience, not adjusted later after the order has been entered. Additional benefits are visibility to real time product availability, product comparisons, account history, order tracking, email shipping notifications, etc.
- BSN supports its online customers through a traditional call center with a 1-800 support line, through email Contact US Support, as well as real- time online chat integrated into the website. The customer on the site only has to click the handy “chat” box to initiate a chat session and one of BSN Sports knowledgeable representatives will promptly respond. The Chat system provides the rep with valuable information about the customer, including what page they are viewing, previous pages viewed and notes from previous chat sessions. Typical support hours are 8am-5pm CST M-F, Excluding Holidays.
- BSN will work closely with Kingsport City Schools Procurement & coordinate with Athletic Admin/Coaches to deliver on-time & manage within Kingsport City Schools protocol.
- Stock Products ship from Our BSN Warehouse within 24 hours of Order placement – Most will arrive at Kingsport City Schools within 3 business days or less.
- All orders, faxed, emailed, or phoned in will be entered by either the territory managers or the sales pro in the field. It will then be reviewed by key personnel in the bid department and the contract manager daily.
- All custom items or screen printing is subject to drop ship delivery times, freight charges, and special pricing, due mainly to the nature of each job.
- Our BSN Field Sales Pro is equipped with technology to allow for IMMEDIATE On-Site confirmation of the following Kingsport City Schools Staff.
- Updated Live Inventory on ALL BSN SKU’s, Live Inventory from 17 of our Major Brands (Nike, Champion, Easton, Rawlings, Mizuno, Schutt, etc.)



## Customer Service Plan (continued)

### Stance on Licensing / Brand Protection

At BSN SPORTS we have built our collegiate business with a respect for and continued desire to do everything, we can protect your brand integrity. We do not underestimate the criticality of the institutional success that comes from a strong, consistent brand. We also recognize that in today's world it's not just a brand or a logo – it's a series of interactions and experiences across a plethora of channels.

With every order, we commit to honoring the Kingsport City Schools reputation and assist building its brand equity, supporting communication through one voice and one cohesive institutional brand.

We understand how much effort goes into policing trademarks and that bad actors can't be eliminated around the globe. But with BSN SPORTS, you do have the ability to make sure the people closest to this campus; athletes, coaches, and staff; student organizations and faculty are getting great products at great prices, officially licensed from a trusted source.

With purpose, we have not included any reference to the Kingsport City Schools logos, colors, or fonts in our opening page designs or in the attached visuals included herein.

We understand the rules. We play by the rules. We are an approved licensee vendor with CLC and aware that the royalty rate with Kingsport City Schools decorated product is 12%. We will help honor your rich history and traditions by protecting and promoting the brand the right way.

### Customer Service and Accounts Receivable Management

The focus on our customers is the most longstanding tradition we have at BSN SPORTS. Our customers have fueled the growth we have experienced over the past fifty-one years and will continue to be the catalyst for years to come.

The support we bring to our customers comes in many ways. We have a traditional call center that offers support 7 days a week, with the customer being able to select their preferred method of contact. We offer phone, email, chat and coming soon, SMS/Text support. Our representatives are experts in all aspects of BSN, including My Team Shop, Sideline Store, and our primary BSN Sports website. For any customer inquiries outside of a live phone call or chat, we deliver a 24-hour turnaround for a quick customer response to email or contact us inquiries.



## Customer Service Plan (continued)

### Billing Solutions in RFP

BSN also offers Kingsport City Schools the BSN SPORTS Billing Solution (Complete Online visibility of Goods/Services ordered & invoiced from BSN to Kingsport City Schools ). The solution was created to put time back in the hands of your staff and make paying invoices simple.

Through BSN SPORTS Billing Solution, you can view and download invoices and statements, pay invoices online by ACH or credit card, and open dispute cases all with 24/7 account access. You can receive notifications or PDF copies of new invoices and statements when they post to your account and easily access or download delivery information for your orders, all from the online portal. Multiple groups on campus can pay as a guest via credit card without registering for the online services.

In addition to our BSNBilling.com website, we have a full staff of credit, accounts receivable, and collections specialists who are aligned with your Sales Professional and can provide dedicated support for any billing needs.

### Ordering/Returns/Invoicing Process

When ordering on either Purchase order, faxes, emails, or verbal communication on this bid, please reference your bid Proposal: Athletic Uniforms and sports equipMent Bid For Kingsport City schoolsm and our Bid Log ID Number: 24-67460.

You will be assigned a N-30 account. You will not be invoiced until all the order has been shipped complete, even if an item is backordered, Kingsport City Schools will receive a credit line and no individual credit apps will be requested for separate transactions.

Kingsport City Schools may (if requested) receive a monthly report each month reporting the previous month and fiscal year to date purchases and promotional dollars. All orders, faxed, emailed, or phoned in will be entered by either the territory managers or the Sales Professional in the field. It will then be reviewed by key personnel in the bid department and the contract manager daily. All custom items or screen printing is subject to drop ship delivery times, freight charges, and special pricing, due mainly to the nature of each job.





## Customer Service and Accounts Receivable Management (continued)

### Ordering Process Example

- Quote provided by BSN Sales Professional.
- Order by Coach: It is BSN Sports standard policy that partners provide purchase orders or credit cards with all orders. Any orders lacking such will not be submitted in the system until one or the other is provided. This procedure will be reviewed with the schools to ensure it aligns with the schools purchasing guidelines/needs.
- Order in the BSN's SAP system – Order Acknowledgement provided to Coach.
- Art Approved – art must be approved by Coach before decoration can begin.
- “Blank Orders” – ship in 24 hours from our Dallas and Indianapolis facilities/warehouses.
- BSN will designate the carrier that is best suited for its supplies to the proposed institutional participant.
- When order is shipped complete, an invoice is produced.

### Comp Order Process: Same standard process as above –

- Coach must let Sales Pro know at time of order that this is a comp goods order. Sales Pro notes if product will be embellished by BSN Sports (standard embellishment costs apply) or sent blank to the Kingsport City Schools.
- See offer for additional detail.

### Next Day Orders:

- Next day delivery requests are available on certain products. The order will incur a shipping charge for next day delivery. Freight quotes will be emailed to the coach, and orders will not be processed until freight charges are approved.
- For next day delivery, all orders will need to be received and processed before 10AM CST to ship that day and are subject to availability and regular holiday and weekend provisions.



## Customer Service Plan (continued)

### Onsite Servicing

- City of Kingsport/Kingsport City Schools will receive turn- key service.
- City of Kingsport/Kingsport City Schools will be serviced by a complete team of sales professionals, territory managers, customer service representatives and category specialists led by the account executive: **Carlos ( C.J.) Lee**.
- BSN sales pros will be on campus twice monthly (more often if needed) to provide the highest level of service in the industry for all your athletic teams. Sales pros will respond to all emails and correspondence within 24 hours.
- City of Kingsport/Kingsport City Schools will have 1 dedicated Accounts Receivable Specialist.
- BSN Sports is committed to a decoration facility staffed and centrally located in the county per the specifications of the RFP in order to uniquely service City of Kingsport/Kingsport City Schools coaches, students, parents, and community.
- We have dedicated category experts to provide additional expert consultation and assistance as needed. For example, lacrosse, volleyball, track, and field, etc... each have a category manager to best support each sport with the highest level of expertise. Many are professional athletes and former Olympians, so you are truly receiving expert assistance on equipment, trends, and training,
- The account executive: **Carlos ( C.J.) Lee** will conduct monthly check in with each schools AD to ensure expectations are being surpassed.
- City of Kingsport/Kingsport City Schools Athletic Director will have direct access to the BSN Staff, Sales Manager: **Matthew Pendleton** & our Regional Sales Director: **Chuck Rouse**.

### Samples/Presentations

- **Carlos ( C.J.) Lee**, (BSN Sales Pro) will be on campus twice per month (or upon request) and will work with the administration and coaching staffs to determine a future plan for campus visits that benefits all parties, as requested.
- Samples will be made available upon request and delivered by **J Carlos ( C.J.) Lee.**, the sales professional. On-Site demonstrations are available, please contact the sales professional to schedule.



## Customer Service Plan (continued)

### Return / Exchange Policy & Minimum Order Policies

- BSN guarantees 100% satisfaction with your purchase. Products may be returned for a refund.
- BSN takes the Customer 1st approach. In general, we view business relationships as a partnership. There are no Restocking Fees for items that we stock in our warehouse. There are no additional charges for exchanges. There are minimum order quantities only if the manufacturer we represent requires them. That is something that will be addressed at the time of the sale. Any other issues can be negotiated as they arise.
- BSN provides a 60-day return policy.
- BSN carries a 1-year standard Manufacturer's warranty on all its items.
- Returned items must be sent back in original packaging and be unused and returned at participant's expense. We cannot accept any returns on custom items and drop ship items.
- All discrepancies regarding late product shipments or refusal of shipments will be managed by your customer service representative.
- Custom orders may not be returned unless the merchandise is defective, or we made an error when making the custom order product. The return authorization number must be included in all correspondence and returns. We are not responsible for misuse, customer installation or improper storage.

### Project Schedule

At BSN, we pride ourselves on clear communication with our customers to ensure uniforms, apparel and equipment are delivered on time with quality. That communication alone is not enough to meet the needs of an entire Athletic Department. With a partnership between our onsite and local sales professional and the Athletic Department, we can promote the most effective process to meeting deadlines.

The following page is an example of the collegiate ordering calendar that will be communicated to the City of Kingsport/Kingsport City Schools.

**FALL SPORTS – 25'**

- **Custom Uniform Orders:** November 1<sup>st</sup>
- **Stock Apparel Orders:** November 15<sup>th</sup> (Summer Delivery)
- **Stock Footwear:** January 1<sup>st</sup>
- **Custom/ Stock Headwear:** January 1<sup>st</sup>
- **My Team Shop:** March 1<sup>st</sup> (Player Pack- Summer Delivery)
- **My Team Shop:** May 1<sup>st</sup> (Fan Shop - Preseason Delivery)
- **My Team Shop:** September 1<sup>st</sup> (Christmas Shop - Before Christmas Delivery)
- **Equipment:** January 1<sup>st</sup>
  - **Football Reconditioning:** December 15<sup>th</sup> Pick Up (Delivery for Spring Ball)
  - **Football Reconditioning:** May 1<sup>st</sup> Pick Up (Delivery for Fall Season)

**WINTER SPORTS – 25'**

- **Custom Uniform Orders:** March 1<sup>st</sup>
- **Stock Apparel Orders:** April 1<sup>st</sup>
- **Stock Footwear:** April 1<sup>st</sup>
- **Equipment:** April 1<sup>st</sup>
- **My Team Shop:** May 1<sup>st</sup> (Player Pack - Preseason Delivery)
- **My Team Shop:** August 1<sup>st</sup> (Fan Shop – Preseason Delivery)
- **My Team Shop:** September 1<sup>st</sup> (Christmas Shop - Before Christmas Delivery)

**SPRING SPORTS – 26'**

- **Stock Apparel Orders:**
  - March 15<sup>th</sup> (Fall Delivery)
  - August 1<sup>st</sup> (Pre-Season Delivery)
- **Stock Footwear:** August 1<sup>st</sup>
- **Custom Uniform Orders:** June 1<sup>st</sup>
- **Custom Headwear:**
  - May 1<sup>st</sup> (Fall Delivery)
  - July 1<sup>st</sup> (Pre-Season Delivery)
- **Equipment:** September 1<sup>st</sup>
- **My Team Shop:** August 1<sup>st</sup> (Player Pack - Preseason Delivery)
- **My Team Shop:** September 1<sup>st</sup> (Christmas Delivery)
- **My Team Shop:** November 1<sup>st</sup> (Fan Shop - Preseason Delivery)
- **Promo / Comp Orders:** November 1<sup>st</sup>
- **Authentic Collection:** September 25<sup>th</sup>
  - *\*APPLIES TO NIKE SCHOOLS ONLY\**



## Product

Amongst the key reasons to partner with BSN SPORTS are critical mass, value, and product availability. These components of our offering result in BSN acting as a true one-stop-shop for all your needs. All products delivered will be new. All of the athletic gear requested by City of Kingsport/Kingsport City Schools can be managed by BSN SPORTS.

This includes but is not limited to:

- Official game clothing
- Practice gear – shorts, t-shirts
- Competition shoes – cleats, turf, training, basketball, volleyball, track, slides
- Training shoes
- Team travel / warm-up suits
- Coaching gear – shorts, pants, polo shirts
- Coaching shoes
- Travel bags
- Socks, wristbands, sports bras
- Knee pads, protective gear, and accessories, etc.
- Equipment, e.g., volleyballs, basketballs, baseballs, gloves, bats
- Services: screen printing, embroidery, etc.

## Catalogs

Enclosed you will find a current Nike catalog for your review. Due to the vast product offering, additional catalogs can be found in digital format at:

[https://www.bsnsports.com/vault?BookshelfFilter=1%3ABSN%20SPORTS \(BSN\)](https://www.bsnsports.com/vault?BookshelfFilter=1%3ABSN%20SPORTS%20(BSN))

<https://www.bsnsports.com/vault?BookshelfFilter=1%3ANike>

All discounts requested in the RFP are listed in the attached agreement.



**BSN SPORTS**  
**Section 5**  
**Cost Proposal**

**EXCLUSIVE SUPPLIER AGREEMENT**

BSN SPORTS, ("BSN") is pleased to offer the City of Kingsport for its Kingsport City Schools Athletic Departments the **BSN SPORTS EXCLUSIVE SUPPLIER AGREEMENT** for the purchase and supply of Nike apparel and footwear along with any and all other equipment & apparel offered for sale by BSN SPORTS, for use by the school and its athletic programs.

**Benefits:**

1. **"Premier Pricing"** shall apply to all footwear, clothing and equipment purchased by Dobyms- Bennett High School, Robinson MS , & Sevier MS at the following rates:
  - 35% off retail price on all Nike clothing
  - 25% off custom Nike uniforms
  - 30% off retail price on all Nike footwear and equipment
  - 20% off catalog price on all BSN SPORTS proprietary products (as defined below) from BSN SPORTS catalog (excludes closeout and sale items)
    - BSN SPORTS proprietary products are identified in our catalog with a black star icon next to the product code.
  - 10% off catalog price on all non-branded products from BSN SPORTS catalog.
    - BSN SPORTS catalog non-branded products are products distributed by BSN from a third-party manufacturer such as Wilson, Spalding, Rawlings, etc.
  
2. **BSN Sports Product / Apparel Rebate:** Kingsport City Schools Athletics shall receive the following in free product Rebate: Subject to the terms below, at the end of each School Year of this agreement, the Athletic Program will receive a Product Rebate including selected products from BSN. The Product Rebate will be selected from a list of products provided by BSN and subject to availability at the time of order. Product Rebates are available after the requirements below are met (including, without limitation, the Annual Spending Level with BSN as set forth below) and must be utilized within forty-five (45) days of the end of the School Year in which the rebate was earned. A Product Rebate balance does not carry over from School Year to School Year. Kingsport City Schools and its Athletic Programs must be current on all payment obligations to BSN to be eligible for the Product Rebate.

FOOTBALL  
 BASKETBALL  
 VOLLEYBALL  
 SOCCER  
 BASEBALL  
 LACROSSE  
 TENNIS  
 SOFTBALL  
 UNIFORMS  
 TRACK&FIELD  
 STRENGTH&  
 FITNESS  
 WRESTLING  
 SPORTS MED  
 SPEED  
 AGILITY  
 SCOREBOARDS  
 BENCHES&BLEACHERS  
 COACHING  
 AQUATICS



FOOTBALL  
 BASKETBALL  
 VOLLEYBALL  
 SOCCER  
 BASEBALL  
 LACROSSE  
 TENNIS  
 SOFTBALL  
 UNIFORMS  
 TRACK&FIELD  
 STRENGTH&  
 FITNESS  
 WRESTLING  
 SPORTS MED  
 SPEED  
 AGILITY  
 SCOREBOARDS  
 BENCHES&BLEACHERS  
 COACHING  
 AQUATICS

**Annual Spending Level      Structured Annual Rebate amount**

**Dobyns Bennett High School**

- \$100,000+            \$3000
- \$150,000+            \$3000
- \$200,000+            \$3000
- \$250,000+            \$3000

**Robinson Middle School & Sevier Middle School**

- \$10,000+              \$300
- \$15,000+              \$300
- \$20,000+              \$300
- \$25,000+              \$300

**Rebates compound with each spend level achieved**

**3. NIKE Team Sports Product / Apparel Rebate:** Dobyns- Bennett High School Athletics Programs shall receive the following in free Nike promotional product calculated at Nike retail prices and redeemable from the approved Nike Fundamental Apparel promo list:

**Dobyns Bennett High School - -**

- Year 1 signing Bonus of \$10,000 Nike Promotional product
- Year 1-4: \$15,000 in Nike promotional product @ retail price

**Robinson Middle School & Sevier Middle School**

- 
- Year 1-4: \$1,000 in Nike promotional product @ Retail Price
- Year 1-4: \$1,000 Nike promotional product awarded after \$12,000 spend

**4. State Championship / Men’s holiday tournament Incentive:**  
 State Championship Tees for entire team and coaches’ staff

**Advertising Allotment:** BSN will furnish \$3,000 per year for advertising.  
 The \$3,000 will come from BSN or Nike Product at Retail Price.

**Men’s Holiday Basketball tournament – Buy one get one player shirts with the purchase of all other tournament apparel.**





FOOTBALL  
 BASKETBALL  
 VOLLEYBALL  
 SOCCER  
 BASEBALL  
 LACROSSE  
 TENNIS  
 SOFTBALL  
 UNIFORMS  
 TRACK&FIELD  
 STRENGTH&  
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 WRESTLING  
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 SPEED  
 AGILITY  
 SCOREBOARDS  
 BENCHES&BLEACHERS  
 COACHING  
 AQUATICS

**5. Band Incentives –**

- **Dobyns Bennett High School** – 5% rebate to be rewarded on all Band purchases made through BSN Sports
- **Robinson Middle School** - 5% rebate to be rewarded on all Band purchases made through BSN Sports
- **Sevier Middle School** - 5% rebate to be rewarded on all Band purchases made through BSN Sports

**6. VIP Marketing Package: Onetime \$15,000 Impact branding package to be used in the first year of agreement.**

**Dobyns Bennett - \$10,000**  
**Robinson Middle School - \$2500**  
**Sevier Middle School - \$2500**

**City of Kingsport for its Kingsport City School Athletics Programs Sideline Store set up at No Charge with a 10% annual Credit or Cash. This store is open 24/7/365**

CONFIDENTIAL





**BSN SPORTS**

Section 6

References

**City of Kingsport – Kingsport City Schools  
Athletic Uniforms and Sports Equipment  
REFERENCE FORM**

Provide three similar contract references and return with proposal.

**Reference #1**

Customer Name: Science Hill High School

Contact Name: Kieth Turner - Athletic Director

Phone Number: 423-323-2190

Number of years servicing this account: 20+

**Reference #2**

Customer Name: Greeneville High School

Contact Name: Brad Whoolsey - Athletic Director

Phone Number: 423-787-8030

Number of years servicing this account: 20+

**Reference #3**

Customer Name: Tennessee High School

Contact Name: Kim Kirk - Athletic Director

Phone Number: 423-652-9494

Number of years servicing this account: 20+

**COMPLETE AND SUBMIT WITH PROPOSAL**



## Section 7

### Practice Gear

- Official game clothing.
- Practice gear – shorts, t-shirts.
- Competition shoes (will need to be flexible) – cleats, turf, basketball, volleyball, rack, golf.
- Training and Travel Shoes – turf, tennis shoes, and slides.
- Team travel / warm-up suits.
- Staff and Coaching gear – shorts, pants, polo shorts.
- Coaching shoes - turf, tennis shoes, and slides .
- Travel bags.
- Socks.
- Knee pads, protective gear & accessories, etc.
- Services: screen printing, embroidery, sublimation, etc.
- Athletic equipment.

BSN Sports has accessto all the items stated above and a lot more.

All apparel and accessories provided in this Proposal will be be new.

At no time will Items which are used, demonstrators, obsolete, seconds, or which have been discontinued be acceptable.



## Innovative Concepts

### Custom Private Label Uniforms Capability

In the instance ordering windows are not met or unforeseen supply chain issues arise, BSN SPORTS owns and operates a proprietary uniform builder, coordinating with its Private Label Victory Uniforms & Fundamentals, fully integrated to manufacturing that allows for 4-week turn times. The uniform quality and construction are comparable to all major brands in the marketplace. While this is not an intended path to servicing the City of Kingsport/Kingsport City Schools, it is a differentiating component to our service capability that can act as a stop gap if and when regular course of business is interrupted.

### Sport Category Expertise

Another differentiator between BSN SPORTS and any other team uniform, apparel and equipment supplier is our lineup of sport category experts that exist solely as an additional line of support to your staff. Whether it's new product questions, various brand questions or fit/style guidance, the entire team is dedicated to being that extra level of service you can only get with BSN SPORTS. These sport specific, full-time team members come from a wide array of decorated backgrounds, including but not limited to: Olympic Gold Medalist, National Champion, All-American, Collegiate Head Coach, MLB Draft Pick, Equipment Manager, NBA Strength and Speed Coach and School Record Holder.

### Inventory Connectivity

Our large investment in levels of inventory to serve the City of Kingsport/Kingsport City Schools is only one component that differentiates us from the competition. We also equip every one of our field sales professionals with an iPad that includes our proprietary application that connects them to inventory levels instantly. Not only do they have visibility to BSN SPORTS inventory, but they are also integrated to our strategic brand partners' inventory. This allows our sales team to access real-time availability and not waste valuable time of equipment managers and coaches when orders need to be entered.



### City of Kingsport/Kingsport City Schools Team Stores

BSN offers a proprietary microsite functionality known as My Team Shops, which are limited time online stores for your student athletes, their parents, and fans. Through an assortment chosen by your selected shop coordinator, items can be purchased, processed, and returned to campus for distribution to players or shipped directly to the homes of parents and fans. Shops can be built and launched in minutes, not days. Typically, Shops are open for no longer than a 2- week window so that every order is processed at the same time.

This online store would be created, hosted, and maintained by BSN SPORTS at no cost to the City of Kingsport/Kingsport City Schools. In addition, BSN SPORTS would be responsible for all aspects of order processing, fulfillment, returns and payments for the online store.

Administrators have full capabilities to monitor sales and promote the assortment utilizing the tools within the platform. It is a passcode protected site that the administrator can use to upload emails to create a drip marketing campaign, reminding recipients of open and close dates of these sites.

All purchases in the My Team Shops count towards the incentive spending level as outlined in the financial proposal.

### City of Kingsport/Kingsport City Schools Sideline Store

A BSN Sideline Store is a 24/7 full-service online store with made-to-order fan gear for the entire campus community. While Team Shops might cater more towards your athletes, Sideline Stores cater to students, faculty, family, fans, and alumni.

Every product is made to order and spans across various categories and products, men's, women's, youth, headwear and accessories, t-shirts, polos, fleece, hoodies, and bags from leading brands, including Adidas .

Customers select a product and design within the site to be decorated on the product. The customer can customize the item by choosing pre-approved designs for sport, club, organization, or alumni, amongst many other examples.

The City of Kingsport/Kingsport City Schools has no need to manage the store or purchase inventory. BSN fully manages all aspects of the Sideline Store on behalf of the City of Kingsport/Kingsport City Schools. If customers have any questions, BSN handles all order processing, printing, shipping, and customer support.

All purchases in the Sideline Store count towards the incentive spending level as outlined in the financial proposal.



## City of Kingsport/Kingsport City Schools Campus Branding

BSN SPORTS is part of the Varsity Brands family, which operates VIP Branding. VIP Branding is a team of design experts dedicated to designing mascots, logos, and brands for the youth and collegiate academic space. In coordination with VIP Branding is our Campus Branding arm – your one-stop source for all facilities and branding needs. Their services include but are not limited to:

- Banners.
- Door Wraps.
- Custom Screens.
- Wall Murals.
- Window Branding.
- Pole Flags.
- Decals.
- Media Backdrops.
- Tents.
- Avenue Banners.



**Section 8**  
**Compliance Affidavit Form**

**COMPLIANCE AFFIDAVIT(S) (TOTAL OF 2 PAGES)**

**THIS COMPLIANCE AFFIDAVIT MUST BE SIGNED, NOTARIZED AND INCLUDED WITH ALL BIDS – FAILURE TO INCLUDE THIS FORM WITH THE BID SUBMITTED SHALL DISQUALIFY THE BID FROM BEING CONSIDERED.**

**VENDOR:** BSN Sports LLC

**CONFLICT OF INTEREST:**

1. No Board Member or officer of the City of Kingsport or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for the City of Kingsport has a direct interest in the award of the vendor providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of their immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
3. The grantee's or sub-grantees officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
4. Do you or any officers/part-owners/stake-holders/employees of this company have any relative(s) (relatives include spouse, children, stepchildren or any to whom you are related by blood or marriage) that are currently employed by the City of Kingsport, Tennessee, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or the Kingsport Board of Education?  
       Yes         No

If you answered yes please state the name and relationship of the employee or member of the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education member  
NONE

5. Are you or any officers/part-owners/stake-holders/employees of this company also employees of the City of Kingsport, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education?        Yes         No

If you answered yes please state the name of the employee or board member  
N/A

6. By submission of this form, the vendor is certifying that no conflicts of interest exist.

**DRUG FREE WORKPLACE REQUIREMENTS:**

7. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

**ELIGIBILITY:**

8. The vendor is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

**GENERAL:**

9. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
10. Such offer is genuine and is not a collusive or sham offer.

**IRAN DIVESTMENT ACT:**

11. Concerning the Iran Divestment Act ( TCA 12-12-101 et seq.), by submission of this bid/quote/proposal, each vendor and each person signing on behalf of any vendor certifies, and





in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each vendor is not on the list created pursuant to § 12-12-106.

NON-COLLUSION:

- 12. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other responder, firm, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Kingsport or any person interested in the proposed award or agreement.
- 13. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

BACKGROUND CHECK REQUIREMENT FOR SCHOOL SYSTEM SUPPLIERS:

- 14. In submitting this bid/quote/proposal, you are certifying that you are aware of the requirements imposed by TCA § 49-5-413 (d) to conduct criminal background checks through the Tennessee Bureau of Investigation and the Federal Bureau of Investigation on yourself and any of your employees who may come in direct contact with students or who may come on or about school property anytime students are present. You are further certifying that at no time will you ever permit any individual who has committed a sexual offense or who is a registered sex offender to come in direct contact with children or to come on or about school property while students are present.

NON-BOYCOTT OF ISRAEL AFFIDAVIT

- 15. Concerning the Non-Boycott of Israel Act (TCA 12-4-1 et seq.), by submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not boycotting Israel pursuant to § 12-4-1 and will not during the term of any award. Note: Applicable only to contracts of \$250,000 or more and to suppliers with 10 or more employees.

The undersigned hereby acknowledges and verifies that the response submitted to this solicitation is in full compliance with the applicable laws/listed requirements. The undersigned also declares under penalty of perjury under the laws of the State of Tennessee that the foregoing is true and correct.

SIGNED BY: 

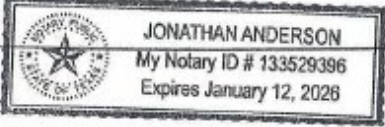
PRINTED NAME: Chris Bloomfield

TITLE: National Bid Director

SUBSCRIBED AND SWORN TO BEFORE ME THIS DATE: 09/27/2024

BY (NOTARY PUBLIC): 

MY COMMISSION EXPIRES ON: 01/12/2026



0



**Section 9  
Other**

00257 1 of 1



STATE OF TENNESSEE  
DEPARTMENT OF REVENUE

**New Account Numbers**

March 5, 2017

BSN SPORTS, LLC  
1901 DIPLOMAT DR  
DALLAS TX 75234-8914

Letter ID: L1440686080

Dear BSN SPORTS, LLC:

You are receiving this letter because the Tennessee Department of Revenue has converted one or more of your tax accounts as we launch our new tax system. The following tax types are being assigned new account numbers:

Sales Tax

- The SLC account number is used for filing tax returns and payments.
- Taxpayers with more than one location should use the SLC number for filing all sales tax returns.
- Old sales tax account numbers are now called Location IDs, and they are still valid for determining the activity of any location.

**What do I need to do?**

- Use the new account number(s) when submitting tax returns and documentation to the Tennessee Department of Revenue.
- Any account numbers or license numbers *not* listed above are still valid, and they should continue to be used.
- If you have a CPA, tax preparer, or someone else with power of attorney over your accounts, let them know about this change.
- Register for a free **TNTAP** account at <https://tntap.tn.gov/eservices> to take full advantage of the new features we are providing. **TNTAP**, or the **Tennessee Taxpayer Access Point**, allows you to file returns, make payments, check account balances, and more.

Please review the information below to see any new account numbers that have been assigned to you.

Account Type	New Account Number
Sales and Use Tax	1000206917-SLC

If you have questions or need assistance, please contact the Taxpayer Services Division at the phone number listed in the footer of this letter, or visit our website at <http://www.tn.gov/revenue>.

Taxpayer Services Division - 500 Deaderick Street, Nashville, TN 37242  
Tel (615) 253-0600 - <http://www.tn.gov/revenue>

al0010

Item XI1.





STATE OF TENNESSEE  
DEPARTMENT OF REVENUE

**Business Tax Filing Status Certificate**

June 20, 2024



 BSN SPORTS, LLC  
14460 VARSITY BRANDS WAY  
FARMERS BRANCH TX 75244-1200

Letter ID: L0386210624  
Account ID: 1002399891-BUS  
Account Type: Business Tax

Dear BSN SPORTS, LLC:

This certificate confirms the business tax filing status of Retailer for the above-named taxpayer. The certificate is valid beginning April 15, 2024 and expiring on April 15, 2025 for the following location:

Location ID: 1001713807  
Location Address: BSN SPORTS, LLC  
252 SIGNAL MOUNTAIN RD  
CHATTANOOGA TN 37405-1914

**According to Tenn. Code Ann. § 67-4-720, a vendor that receives a certificate from a customer shall not owe additional tax, nor be refunded tax, based on a retroactive change in the customer's filing status as a wholesaler or retailer during the certificate's effective period.**

The taxpayer may furnish its supplier(s) with a **COPY** of the enclosed certificate upon vendor(s) request. Vendors may rely on the certificate for transactions occurring during the certificate's effective period for the purpose of determining their business liability. The original certificate should be retained **for the taxpayer's records**. The vendor must maintain a file copy as evidence of their business tax filings.

---

Tennessee Department of Revenue

**Business Tax Filing Status Certificate**

Location Address:  
BSN SPORTS, LLC  
252 SIGNAL MOUNTAIN RD  
CHATTANOOGA TN 37405-1914

Effective Period Begin: April 15, 2024  
Effective Period End: April 15, 2025  
Filing Status: Retailer  
Location ID: 1001713807

Item X11.



Form **W-9**  
(Rev. March 2024)  
Department of the Treasury  
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	<b>1</b> Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) BSN Sports, LLC			
	<b>2</b> Business name/disregarded entity name, if different from above.			
	<b>3a</b> Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input checked="" type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . . <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions)		<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ <i>(Applies to accounts maintained outside the United States.)</i>	
	<b>3b</b> If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>			
	<b>5</b> Address (number, street, and apt. or suite no.). See instructions. 14460 Varsity Brands Way		Requester's name and address (optional)	
	<b>6</b> City, state, and ZIP code Farmers Branch, TX 75244			
	<b>7</b> List account number(s) here (optional)			

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number										
			-				-			
or										
Employer identification number										
2	2	-	2	7	9	5	0	7	3	

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person 	Date 03/20/2024
------------------	------------------------------	-----------------

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they



Angie Schlemmer  
Vice President -Tax

June 4th, 2021

RE: Varsity Brands Holding Co., Inc.

FEIN # 47-2460272

BSN SPORTS LLC  
FEIN #22-2795073

Whom It May Concern:

Please be advised that effective November 26, 2014, BSN SPORTS, Inc. filed a Certificate of Conversion with the State of Delaware converting BSN SPORTS, Inc. from a Corporation to a Limited Liability Company. The company is now known as BSN SPORTS, LLC.

Effective, December 4, 2014, BSN SPORTS, LLC became a wholly-owned subsidiary of Varsity Brands Holding Co., Inc., a newly formed corporation incorporated in the State of Indiana. Because of BSN SPORTS, LLC's limited liability status, it is deemed to be a disregarded entity pursuant to the rules of the Internal Revenue Service. As such, when our customers and vendors request our FEIN, we are required to provide the FEIN of our parent.

Therefore, please see the attached Form W-9 for Varsity Brands Holding Co., Inc., and update your records accordingly.

If you have any questions, please contact me at (214) 459-9059.

Thank you,

Angie Schlemmer

14460 Varsity Brands Way • Farmers Branch, TX 75244 • Toll Free 1-800-527-7510



Varsity Brands Holding Co FEIN: 47-2460272  
 List of Disregarded Entities

Updated 1/7/2020

The following is a list of wholly owned subsidiaries of Varsity Brands Holding Co., Inc. which are deemed to be Disregarded Entities pursuant to the rules of the Internal Revenue Service. None of these entities is subject to backup withholding.

For your convenience and to distinguish between our many different businesses, we are providing the following list of subsidiaries and their various DBA names that will all utilize the same Varsity Brands Holding Co., Inc. W-9 with an FEIN of 47-2460272. We hope that this list will assist you in setting up unique vendor accounts for each of our businesses in the event your company conducts business with more than one of our businesses.

Legal Name	DBA	Tax Classification	Remit to Address	City, State, and Zip Code	FEIN
BSN SPORTS LLC		LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	Athletic Connection	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	ESPORTSONLINE	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	League Direct	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	NBC	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	Tomark Sports	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	US Gamer	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	Fan Cloth	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
BSN SPORTS LLC	Blue Moose Tees	LLC	P O Box 660176	Dallas, TX 75266-0176	22-2795073
Varsity Brands LLC		LLC	6745 Lenox Center Court, Suite 300	Memphis, TN 38115	22-2890400
Varsity Spirit Fashions & Supplies LLC		LLC	P. O. Box 751210	Memphis, TN 38175-1210	41-1459823
Varsity Athletic Band LLC		LLC	6745 Lenox Center Ct, Suite 300	Memphis, TN 38115	37-1918887
DSI (Directors Showcase Int'l)			505 Sroufe St	Ligonier, IN 46767	37-1918887
SA Feathers			5852 Enterprise Pkwy	Fort Myers, FL 33905	37-1918887
Stanbury Uniforms LLC		LLC	108 Stanbury Industrial Drive	Brookfield, MD 64628	48-1268134
					LLC effective 10/29/2019
Varsity Spirit LLC					62-1169661
Varsity Spirit LLC	All Star Challenge	LLC	4711 Hope Valley RD 4F-422	Durham NC 27707	62-1169661
Varsity Spirit LLC	All Star Championships	LLC	245 W Roosevelt Rd, B1, Suite 5	West Chicago, IL 60185	62-1169661
Varsity Spirit LLC	All Things Cheer	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	Aloha Spirit Productions	LLC	118 NW 14th Ave STE A	Gaineville, FL 32601	62-1169661
Varsity Spirit LLC	American Championships	LLC	118 NW 14th Ave STE A	Gaineville, FL 32601	62-1169661
Varsity Spirit LLC	American Cheer and Dance	LLC	6679 Santa Barbara Rd. Suite C	Elkridge MD 21075	62-1169661
Varsity Spirit LLC	American Cheer Power	LLC	201 Spruce	Dickinson TX 77539	62-1169661
Varsity Spirit LLC	America's Best	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	Athletic Championships	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	Champion Cheer and Dance	LLC	6679 Santa Barbara Rd. Suite C	Elkridge MD 21075	62-1169661
Varsity Spirit LLC	Champion Spirit Group	LLC	245 W Roosevelt Rd, B1, Suite 5	West Chicago, IL 60185	62-1169661
Varsity Spirit LLC	Cheer Ltd.	LLC	118 Ridgeway DR, #101	Fayetteville NC 28311	62-1169661
Varsity Spirit LLC	Cheerlbrity	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	CheerSport	LLC	11010 Monroe Rd #B	Mathews NC 28105	62-1169661
Varsity Spirit LLC	COA Cheer and Dance	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	Coastal Cheer and Dance	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	Dance Finals	LLC	245 W Roosevelt Rd, B1, Suite 5	West Chicago, IL 60185	62-1169661
Varsity Spirit LLC	Double Down Championships	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	GLCC Events	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	Golden State Spirit Assn	LLC	118 NW 14th Ave STE A	Gaineville, FL 32601	62-1169661
Varsity Spirit LLC	JamFest	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	UVEI Cheer and Dance Events	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	Mardi Gras Spirit Events	LLC	201 Spruce	Dickinson TX 77539	62-1169661
Varsity Spirit LLC	Mid Atlantic Championships	LLC	118 NW 14th Ave STE A	Gaineville, FL 32601	62-1169661
Varsity Spirit LLC	National Cheerleaders Association	LLC	640 Shiloh RD #200	Piano TX 75074-7209	62-1169661
Varsity Spirit LLC	National Dance Alliance	LLC	640 Shiloh RD #200	Piano TX 75074-7209	62-1169661
Varsity Spirit LLC	Nations Choice	LLC	245 W Roosevelt Rd, B1, Suite 5	West Chicago, IL 60185	62-1169661
Varsity Spirit LLC	Premier Athletics	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	Spirit Celebration	LLC	640 Shiloh RD #200	Piano TX 75074-7209	62-1169661
Varsity Spirit LLC	Spirit Cheer	LLC	118 NW 14th Ave STE A	Gaineville, FL 32601	62-1169661
Varsity Spirit LLC	Spirit Festival	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	Spirit Sports	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	Spirit Team	LLC	118 NW 14th Ave STE A	Gaineville, FL 32601	62-1169661
Varsity Spirit LLC	Spirit Unlimited	LLC	6679 Santa Barbara Rd. Suite C	Elkridge MD 21075	62-1169661
Varsity Spirit LLC	Spirit Xpress	LLC	PO Box 752790	Memphis, TN 38175-2790	62-1169661
Varsity Spirit LLC	Team Champion	LLC	245 W Roosevelt Rd, B1, Suite 5	West Chicago, IL 60185	62-1169661
Varsity Spirit LLC	United Spirit Association	LLC	5770 Warland Drive, Suite B	Cypress, CA 90630	62-1169661
Varsity Spirit LLC	Universal Cheerleaders Association	LLC	PO Box 752790	Memphis, TN 38175-2790	62-1169661
Varsity Spirit LLC	Universal Dance Association	LLC	PO Box 752790	Memphis, TN 38175-2790	62-1169661
Varsity Spirit LLC	Universal Spirit	LLC	11010 Monroe Rd #B	Mathews NC 28105	62-1169661
Varsity Spirit LLC	US Finals	LLC	11500 Champions Way	Louisville, KY 40299	62-1169661
Varsity Spirit LLC	VIROC	LLC	PO Box 752790	Memphis, TN 38175-2790	62-1169661
Varsity Spirit LLC	Varsity Shop	LLC	3131 Appling Rd.	Bartlett, TN 38133	62-1169661
Varsity Spirit LLC	Varsity University	LLC	PO Box 752790	Memphis, TN 38175-2790	62-1169661
Varsity Spirit LLC	Varsity.com	LLC	P. O. Box 751210	Memphis, TN 38175-1210	62-1169661
Varsity Spirit LLC	VBI Ventures Inc.	LLC	10325 Yellow Pine Ln	Knoville TN 37932	62-1169661
Varsity Spirit LLC	VIP Branding	LLC	1455 Frazee Road, Suite 500	San Diego, CA 92108	62-1169661
Varsity Spirit LLC	World Spirit Federation	LLC	10325 Yellow Pine Ln	Knoville, TN 37932	62-1169661
Varsity Spirit LLC	Xpress Brands	LLC	PO Box 752790	Memphis, TN 38175-2790	62-1169661
allgoods LLC		LLC	P O Box 200607	Arlington, TX 76006	46-4629794
allgoods LLC	Volume Specialties	LLC	P O Box 200607	Arlington, TX 76006	46-4629794

Item X11.





# CONFLICT OF INTEREST QUESTIONNAIRE

## FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY
Date Received

1 Name of person who has a business relationship with local governmental entity.  
**BSN Sports LLC**

2  Check this box if you are filing an update to a previously filed questionnaire.  
 (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.  
None  
 Name of Officer

This section (Item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?  
 Yes  No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?  
 Yes  No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?  
 Yes  No

D. Describe each employment or business relationship with the local government officer named in this section.  
**None**

4  02/07/2024  
 Signature of person doing business with the governmental entity Date

Adopted 06/29/2007

Item X11.



## **BSN SPORTS** **TERMS AND CONDITIONS**

### **Satisfaction Guarantee**

We guarantee 100% satisfaction with your purchase! Products may be returned for a refund within 30 days of the date the product was shipped to you, when returned in accordance with our Return Policy set forth below.

### **Return Policy**

All returns must be authorized by us and require a return authorization number. Call our Customer Care Team at 1-800-467-0235 for a return authorization number. Returns must be postmarked within 30 days of date the product was shipped to you; otherwise the return will not be eligible for credit. Items must be returned in their original condition, including all tags, packaging and accessories (if applicable). A restocking fee may apply and freight charges will not be refunded unless the merchandise is defective or it was shipped incorrectly.

Custom orders may not be returned unless the merchandise is defective or we made an error when making the custom order product. The return authorization number must be included in all correspondence and returns. We are not responsible for misuse, customer installation, freight damage or improper storage.

### **24 Hour Quick Ship**

Highlighted Products will ship within 24 hours upon verification of order and credit release. Actual arrival time at your location depends on the method of shipment and distance from our warehouse. Standard freight rules apply.

### **Pricing and Specification**

We will make every effort to honor catalog prices through August 1, 2023. We reserve the right to change prices due to increased costs, or to correct catalog errors in pricing and/or specification. When you send us your order request, we will begin processing it as quickly as possible. Despite our best efforts, a small number of items in our catalog may be mispriced. If an item's correct price is higher than our stated price, we will, at our discretion, either contact you for instruction before shipping or cancel your order and notify you of such cancellation. We will make every effort to send you one invoice after all items on your order have shipped.

### **Sales Tax**

Unless your organization is a branch of the federal government, you must provide to us for each state where you are not subject to sales tax either a resale certificate or state exempt organization certificate, as appropriate. Otherwise, state and local sales taxes will be added in the states of AK, AL, AR, AZ, CA, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, NC, ND, NE, NJ, NM, NY, NV, OH, OK, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY and Puerto Rico. This list of sales tax states is subject to change at any time without further notice. If you are a new customer, your resale certificate or state exempt organization certificate must be sent with the Customer Information Sheet (CIS), or otherwise received by us with or before your first order, to document your status as not subject to sales tax. If we do not have on file a resale certificate or state exempt organization certificate, sales taxes will be added for orders shipped to any state where we are required to charge sales tax.

### **Custom Orders**

Custom orders require a customer signed order specification confirmation before any custom order is processed. If you decide to change a custom order after it has been placed, please call us immediately. We will contact the manufacturing facility to determine if the order has already been processed or if the change can be made. If the order has been processed, we will not be able to change it and you will be responsible for paying

for the order. If a change can be made, there may be a delay in delivery and/or an additional charge. Please be certain of your ordering needs prior to submission. We may require that you prepay for custom orders.

### **Substitutions**

We strive to continually improve our products to give you the best value possible. On occasion, we may ship you a product that differs from the one pictured and described in our catalog. However, we will always substitute with a product of equal or better quality and value. If your requirements prohibit substitution, please let us know when you place the order.

### **Fast Service**

We process orders the same day they are received and generally ship items that are in our inventory within 2-3 business days. If delivery is required by a specific date, please notify us when placing your order. Please call for information on express delivery. To ensure rapid processing of your order, be sure to complete all necessary information on the Order Form.

### **Easy Payment Terms**

We offer net 30 day terms on approved credit, honor most major credit cards and accept prepaid orders. We accept VISA, MasterCard, American Express and Discover. We can also accept your check by phone. We require a written purchase order (or valid purchase order number, subject to verification, if ordering via the Internet). We may require that you prepay for custom orders. Orders received from outside the United States require prepayment before shipment. New customers requesting credit terms are required to complete a Customer Information Sheet (CIS) and require credit investigation and approval prior to order release. Customers agree to pay invoices in full within set terms. Past due balances will be charged interest at the rate of eighteen percent (18%) per annum, or the highest rate permitted by applicable law, whichever is lower. Customers also agree to pay any and all fees, including attorney fees, incurred by us to collect past due invoices.

### **Risk of Loss, Freight Damage and Shipment Shortages**

Risk of loss, title and ownership of the goods purchased are transferred to the customer at the time goods are delivered to the common carrier. We will gladly assist you with your freight claim. If a shipment is short or damaged, the shortage or damage must be noted on the freight delivery document at the time the product is delivered to you. Please notify us immediately if you need assistance with your claim. Please call 1-800-719-3056 same day.

### **Duplicate Orders**

To avoid accidental duplication of your Internet or phone order, DO NOT send written confirmation unless you are asked to do so by a member of our team. If you must send confirmation, you must mark the order as "Confirming Order, Do Not Duplicate." Unless your confirming order is marked clearly, you will be responsible for return freight charges and a restocking fee of up to 25% if the duplicate order is returned.

### **Off-Shore Destinations and APO/FPO Addresses**

Sometimes the weight and size of items preclude postal shipment. Always provide alternative shipping instructions and addresses (allowing us to ship other than by postal service).

### **Force Majeure**

Although we strive to meet obligations set forth in our catalog and promotional materials, we will not be liable for any failure to perform any such obligations by reasons of acts of God or the elements; acts, delays and failures to act by governmental authorities; riots, insurrections, terrorism, sabotage and war; labor strikes, interruption, suspension, curtailment or other disruption of utilities; or other matters beyond our reasonable control.





### CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
08/30/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Willis Towers Watson Insurance Services West, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA		<b>CONTACT NAME:</b> Willis Towers Watson Certificate Center <b>PHONE (AG No Est):</b> 1-877-945-7378 <b>FAX (AG No):</b> 1-888-467-2378 <b>E-MAIL ADDRESS:</b> certificates@willis.com	
<b>INSURED</b> BSN Sports, LLC 14460 Varsity Brands Way Farmers Branch, TX 75244		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: James River Insurance Company NAIC # 12203 INSURER B: Travelers Property Casualty Company of Am 25674 INSURER C: Travelers Indemnity Company of CT 25682 INSURER D: INSURER E: INSURER F:	<b>NAIC #</b>

**COVERAGES**      **CERTIFICATE NUMBER:** W29933640      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			00067824-8	07/30/2022	11/01/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> ALL AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> \$1,000			TJCAP-6E004847-TIL-22	07/30/2022	11/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			00063341-8	07/30/2022	11/01/2023	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input checked="" type="checkbox"/> No N/A			UB-6P863791-23-51-K	07/30/2023	11/01/2023	<input checked="" type="checkbox"/> PER-STATUTE <input type="checkbox"/> OTHER EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000
B	Workers Compensation and Employers Liability Per Statute			UB-6P859765-23-51-R	07/30/2023	11/01/2023	EL Each Accident \$1,000,000 EL Disease-Each Empl \$1,000,000 EL Disease-Policy Int \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  <div style="border: 1px solid black; padding: 5px; text-align: center; color: yellow; font-weight: bold;">SAMPLE COPY</div> <p style="font-size: small;">For Informational Purposes Only</p>	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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ACORD 25 (2016/03)

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ID: 24600383

DATE: 3111680

City of Kingsport  
RFP: Athletic Uniforms and Sports Equipment Bid for Kingsport City Schools  
Due: 10/09/2024 @ 4 PM EST

Item X11.

BID OPENING  
MINUTES  
October 9, 2024  
4:00 PM

Present: Brent Morelock, Procurement Manager; Sandra Sloan, Asst. Procurement Manager, Schools;

The Bid Opening was held in Conference Room 436, 4<sup>th</sup> Floor, City Hall.

The Procurement Manager opened with the following proposals:

Request for Proposal CITY OF KINGSPORT AND KINGSPORT CITY SCHOOLS ATHLETIC UNIFORMS AND SPORTS EQUIPMENT
Wild Boyz Screen Printing LLC, DBA Gametime Apparel & Signs
BSN Sports





**AGENDA ACTION FORM**

**Consideration of a Resolution Renewing the Award for Generator Services**

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

Action Form No.: AF- 342-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Committee  
Presentation By: R. McReynolds

**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
Proposals were opened on January 5, 2022 for Generator Services for City of Kingsport and Kingsport City Schools. The advertisement for the Request for Proposals was published in the Kingsport Times News on December 19, 2021 and placed on our website for 17 calendar days. The City’s Request for Proposal included a renewal option clause which allows the City to renew the award for an additional 12-month period if costs are acceptable to both parties with BMA approval.

It is the recommendation of the committee to renew the award for generator services with Nixon Power Services. Nixon Power Services has 15 Kohler trained and certified technicians that live and work in this area. They also have an office with a warehouse located in Blountville and are offering no increase in cost.

The total annual service cost is projected to be \$62,387.00.

- Attachments:**
- 1. Resolution
  - 2. Bid Opening Minutes
  - 3. Nixon quote
  - 4. Recommendation Memos

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION RENEWING THE AWARD OF BID FOR GENERATOR SERVICES TO NIXON POWER SERVICES AND AUTHORIZING THE MAYOR TO SIGN THE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RENEWAL

WHEREAS, on January 5, 2022, the board approved the bid award of for generator services for the city and Kingsport City Schools to Nixon Power Services; and

WHEREAS, the bid included a renewal option clause that allows the city to renew the award for an additional 12 month period, if costs are acceptable to both parties, with board approval; and

WHEREAS, staff recommends renewing the bid for an additional 12 months at the projected cost of \$62,387.00; and

WHEREAS, funding is identified in various city and school accounts.

Now therefore,

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

SECTION I. That the renewal for of the award of bid for generator services to Nixon Power Services renewed for 12 months at the projected cost of \$62,387.00, is approved.

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 December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

MINUTES  
BID OPENING  
January 5, 2022  
4:00 P.M.

Present: Brent Morelock, Procurement Manager; Olivia Nickens, Procurement Specialist

The Bid Opening was held in the Conference Room 436, 4<sup>th</sup> Floor, City Hall.

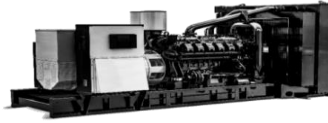
The Procurement Manager opened with the following bids:

GENERATOR SERVICES FOR CITY OF KINGSPORT AND KINGSPORT CITY SCHOOLS
Vendor:
Taylor Sudden Service, Inc.
Cummins Sales and Service
PowerSecure, Inc.
Clarke Power Services, Inc.
Nixon Power Services LLC

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



Customer 1500218  
 City of Kingsport  
 415 Broad Street  
 Kingsport TN 37660



Site	Address	Make / Serial	Major pm	Minor pm (x11)	Loadbank	Yearly Total
Fire Station 1 - Central	130 Island St	Kohler 70kw	\$250.00	\$190.00	na	\$2,340.00
Fire Station #2	1800 Crescent Dr	Kohler 35kw	\$220.00	\$180.00	na	\$2,200.00
Fire Station #3	3828 Memorial Blvd	Onan 50kw	\$250.00	\$190.00	na	\$2,340.00
Fire Station #4	West Stone Drive	Kohler 30kw	\$600.00	\$200.00	na	\$2,800.00
Fire Station #5	1517 Lynn Garden Dr.	Kohler 50kw	\$650.00	\$200.00	na	\$2,850.00
Fire Station #6	4598 Fort Henry Dr	Onan 50kw	\$250.00	\$190.00	na	\$2,340.00
Fire Station #7	1440 Rock Springs Rd	Kohler 80kw	\$250.00	\$190.00	na	\$2,340.00
Fire Station #8	1205 New Beason Well Rd	Cummins 80kw	\$700.00	\$200.00	na	\$2,900.00

Site	Address	Make / Serial	Major pm	Minor pm (x3)	2 hr Loadbank	Quarterly Total
Bays Mountain Tower	Bays Mountain Tower	Onan 50kw	\$250.00	\$190.00	na	\$820.00
Kingsport City Hall	415 E. New Street	Kohler 300kw	\$900.00	\$200.00	na	\$1,500.00
DB Stadium (football field)	400 Clinchfield St	Cat 30kw	\$492.00	\$160.00	na	\$972.00
Dobyns Bennett High School	1800 One Tribe Way	Kohler 125kw	\$300.00	\$200.00	na	\$900.00
Dobyns Bennett High School	1801 One Tribe Way	Kohler 150rez	\$300.00	\$200.00	na	\$900.00
J Fred Stadium	1800 One Tribe Way	Kohler 80kw	\$585.00	\$160.00	na	\$1,065.00
John Sevier MS	1200 Wateree St	Kohler 80kw	\$250.00	\$190.00	na	\$820.00
Justice Center/Kpt Police Dept	200 Shelby St	Kohler 300kw	\$650.00	\$200.00	na	\$1,250.00
Justice Center/Kpt Police Dept	201 Shelby St	Cummins 11594814	\$650.00	\$200.00	\$500.00	\$1,750.00
Public Library	400 Broad St	Onan 10kw	\$190.00	\$150.00	na	\$640.00
Cooks Valley Ps #212	4150 Cooks Landing Rd	Cat 200kw	\$560.00	\$160.00	\$400.00	\$1,440.00
Pump Station #124	416 Revere St	Onan 350kw	\$640.00	\$200.00	\$400.00	\$1,640.00
Pump Station #405	194 Rock Springs Rd	Cummins 350kw	\$350.00	\$200.00	\$600.00	\$1,550.00
Pump Station #315	3900 Abilene Dr	Kohler 50kw	\$300.00	\$160.00	\$300.00	\$1,080.00
Pump Station #408	Rock Springs Rd	Onan 350kw	\$350.00	\$200.00	\$600.00	\$1,550.00
Renaissance Center	1200 E Center St	Onan 200kw	\$350.00	\$200.00	na	\$950.00
Thornton #402	3025 Fort Henry Dr	Kohler 50kw	\$300.00	\$160.00	\$300.00	\$1,080.00
Wesley Pump Station #403	3560 Wesley Rd	Kohler 50kw	\$300.00	\$160.00	\$300.00	\$1,080.00

**(2 hour lb)**

**(2 hour lb)**

**(4 hour lb)**

**(4 hour lb)**

**(2 hour lb)**

**(4 hour lb)**

**(2 hour lb)**

**(2 hour lb)**

Item X12.

Rock Springs Valley PS #284	Rock Springs Rd	Kohler 50kw	\$550.00	\$180.00	\$400.00	\$1,490.00	<b>(2 hour lb)</b>
Pump Station #414- Shady	414 Shady View Rd	Kohler 150kw	\$650.00	\$200.00	\$450.00	\$1,700.00	<b>(2 hour lb)</b>
Pump Station 131	2044 Netherland Inn	Generac 400kw	\$1,000.00	\$200.00	\$600.00	\$2,200.00	<b>(4 hour lb)</b>
Colonial View Pump Station	601 Moreland Dr	Cummins 80kw	\$580.00	\$160.00	\$400.00	\$1,460.00	<b>(moreland pump st 4 hr lb)</b>
Hillcrest Pump Station	3806 Summitt Dr	Cummins 450	\$1,120.00	\$200.00	\$500.00	\$2,220.00	<b>(2 hour lb)</b>
Sherwood Rd Filter Plant	2436 Sherwood Rd	Cat 3516 2 MG	\$3,500.00	\$200.00	\$3,800.00	\$7,900.00	<b>(4 hour lb)</b>
WATER PLANT 55KW Portable	2436 Sherwood Rd	Kohler 50kw	\$550.00	\$180.00	\$600.00	\$1,690.00	<b>(2 hour lb)</b>
Westview Pump Station	1201 Fairview Ave	Onan 175kw	\$530.00	\$160.00	\$400.00	\$1,410.00	<b>(2 hour lb)</b>
Waste Water Treatment	225 W Center St	Kohler 60kw	\$250.00	\$190.00	\$400.00	\$1,220.00	<b>(2 hour lb)</b>
<b>Total Service per year 2025</b>						<b>\$62,387.00</b>	
<b>Length of Agreement (without an increase in pricing )</b>			<b>1 Year</b>				

Nixon Power Services Co is pleased to offer this proposal for servicing your generators.

We will provide you with the highest quality of service in the industry. After each service you will receive a report .

This report documents our findings, recommendations, and test and service results. In the event additional repairs are discovered the onsite technician will make necessary repairs on a time and ,material basis based upon your approval.

This agreement is billed annually or at the time of service from the date of acceptance and renewed automatically if not cancelled by either party.

**Melissa Smith**

Service Agreement Administrator

1515 JP Hennessy Drive

La Vergne, TN 37086

Mobile: 615-295-9652

PO \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_

Item XI2.

To: Nikisha Eichmann  
From: Karl Berry  
Date: 12/3/24  
Re: Generator Service Provider Renewal Recommendation

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Comments: Nikisha

I recommend we stay with Nixon for generator services for 2025. I am pleased with the services we are receiving from them and their pricing is very good. I can count on their quick service time and not having services delayed for extended amounts of time. We have had no issues or complaints regarding any of the services they provide.

Thank You,  
Karl Berry  
Facility Maintenance Manager  
City of Kingsport



TO: Board of Education  
Dr. Chris Hampton, Superintendent

FROM: David Sewell, Maintenance Director OHS

DATE: November 12, 2024

SUBJECT: Recommendation to Renew Agreement with Nixon for Generator Services

I recommend the agreement with Nixon Power Services, LLC, be renewed. We have years of great experience dealing with them. We have always received quality work from them. They are local to the area, having a warehouse in Blountville, Tennessee, and have local technicians for a quick response time.

In my opinion, it is in the best interest of City of Kingsport to renew the agreement with Nixon Power Services, LLC.



**AGENDA ACTION FORM**

**Consideration of a Resolution to Purchase One (1) Hydro Excavator Truck Utilizing Sourcewell Cooperative Purchasing Agreement**

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

Action Form No.: AF-344-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Committee  
Presentation By: R. McReynolds, S. Leonard

**Recommendation:**

Approve the resolution

**Executive Summary:**

It is the recommendation of the committee to purchase One (1) Hydro Excavator Truck Jet-Vac Equipment Co. utilizing Sourcewell Cooperative Purchasing Agreement #101221-SCA for use by the Water Department. The delivery from the dealership to the agency is included in the total price of \$445,433.85. The estimated delivery date is 7-8 months after the PO has been received.

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

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

This unit is a fleet replacement.

Funding is identified in Project/Account # 51150085019010 – \$180,251.00; WA2503 45100006059003 – \$132,591.42; SW2504 45200006069003 – \$132,591.43

**Attachments:**

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

Item X13.

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



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

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO JET-VAC EQUIPMENT COMPANY UTILIZING SOURCEWELL COOPERATIVE PURCHASING AGREEMENT NO. 101221-SCA FOR ONE HYDRO EXCAVATOR TRUCK FOR USE BY PUBLIC WORKS

WHEREAS, staff recommends the purchase of one (1) Hydro Excavator Truck utilizing Sourcewell Cooperative Purchasing Agreement # 101221-SCA for use by the water department; and

WHEREAS, the city participates in the Sourcewell cooperative purchasing; and

WHEREAS, Tenn. Code Ann. §12-3-1205 permits city to participate in a cooperative purchasing agreement for the procurement of vehicles manufactured for a special purpose; and

WHEREAS, in order to purchase the equipment, a purchase order needs to be issued to Jet-Vac Equipment Company., in an amount not to exceed \$445,433.85; and

WHEREAS, funding for this equipment is available in project account #'s: 51150085019010 – \$180,251.00; WA2503 45100006059003 – \$132,591.42; SW2504 45200006069003 – \$132,591.43.

Now therefore,

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

SECTION I. That the city manager is authorized to execute a purchase order to Jet-Vac Equipment Company for one (1) Hydro Excavator Truck utilizing Sourcewell Cooperative Purchasing Agreement # 101221-SCA, for use by the water department in an amount not to exceed \$445,433.85.

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 December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER  
APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

Item X13.



# FLEET MAINTENANCE DEPARTMENT

## City of Kingsport

**To:** Nikisha Eichmann, Assistant Procurement Manager  
**From:** Steve Leonard, Fleet Manager  
**Date:** December 4, 2024  
**Re:** Purchase of Hydro Excavator Truck

It is the recommendation of this office to purchase a Hydro Excavator Truck for Water Maintenance using the fleet replacement funds collected for units # 1973 & # 1992 along with funds from the Water Dept. Total Sourcewell Cooperative pricing is \$445,433.85. Fleet Replacement funds will cover \$180,251.00 of the purchase and the remaining cost of \$265,182.85 will be paid by the Water Department. The unit bid and awarded by Sourcewell meets the expectations of the department and will fulfill the requirements of their operational needs. The Sourcewell Contract # 101221-SCA allows a municipality to purchase off of the cooperative pricing. A copy of the Sourcewell Contract is attached.

Item	Quantity	Description	Award to Vendor	Fuel Economy
1	1	Hydro Excavator Truck	Jet-Vac Equipment Co	N/A

### **These units will be a Fleet Replacements**

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

The Sourcewell offerings were reviewed by Adam Williams, and he is in agreement with this recommendation.

### **Fuel Economy Improvement**

00%

No fuel economy improvements would be realized. The replacement units are not comparable.

### **Sourcewell Contract Number: 031121**

### **Replacement**

1973	KOMATSU TRACK EXCAVATOR	VIN# A89886	Hours	2713
1992	WACH TRAVLVAC TRAILER	VIN# 1E9PT1514BC297580	Hours	N/A

Should you have any questions on this recommendation, please do not hesitate to contact me.

Thank you.





**Date:** 12/03/2024

**Quoted To:**

City of Kingsport  
Attn: Accounts Payable\*  
ap@kingsporttn.gov  
Kingsport TN 37660

**Location:** COOKEVILLE  
**Quote Number:** Q00437  
**Expiry Date:** 12/31/2024  
**Salesperson:** JASON LYNN  
jason@jet-vac.com  
**Responsible:** BRITTANY WINDHAM  
brittany@jet-vac.com  
**Attention:** Adam Williams

We propose to furnish the equipment described herein in accord with the specification, terms, and conditions outlined.

**RAMVAC HX-6 Truck Mounted Hydro Excavator 336,105.00**

- Water System:
- 650 gallon Duraprolene water Tank
- Hydraulic Powered water Pump (0 - 10 gpm @ 2500 psi)
- Water Pressure Display
- 400,000 BTU Water Heater
- 2.5" Hydrant Fill system w/ 25' hose
- Air Purge Valve, Recirculation System and Wash Station
- 75' of 3/8" Hose w/ retractable reel
- Electrical:
- NEMA 4 Control Panel
- Wireless Remote Control
- Hour Meter
- Debris Tank:
- 6 cubic yards (1250 gal) Debris Tank
- Hydraulic Dump, 50° Dump Angle (Cylinder)
- Debris Level Indicator
- Debris Tank Flush
- Fold Down Pipe Rack
- Hydraulic Powered Open/Close Rear Door
- Vacuum System:
- 3000 CFM Blower
- 6" Vacuum Hose system
- 18" HG vacuum rating
- Cyclone Separator
- Heavy Duty Final Filter Box
- Vacuum Enhancer
- Directional Discharge System

Item X13.

Hydrostatic Blower Drive via mid mount chassis engine pump drive

Boom:

Powered boom

240° working Radius

Boom Reach - 13' extendable to 18'

Truck:

Mounting to approved chassis

Aluminum toolboxes

Mud flaps, Bumper

LED D.O.T. approved lighting

Compartment:

Shrouded compartment for: pump, water, heater & reel

80,000 BTU Compartment Heater

Exhaust Fan

Accessories:

(4) 6" x 6' Extension Tubes

(5) Quick Clamps 6"

(1) 6" x 6' Digging Tube

Kit, wand, Digging, Hydro-Ex Truck wand, Digging, Hydro-Ex

Truck

washdown Gun Kit & Nozzle

(1) Hydrant Wrench

25' Fill Hose

(1) Paper Owner's Manual

Behind the Cab 15"x96" Tooltray

\*\*\*\*\*

STANDARD OPTIONS:

2" water Fill 'Y' Strainer

Variable Degree Washdown Gun (In Lieu of Standard Gun)

Debris Body Pump Off System (3" & 500 gpm) and Accessories (Includes Decant Screen)

High Performance Blower Silencer (Standard Equipment on 4400 cfm & 3000 cfm @ 27'HG Unit; Lowers Noise Pressure up to 4 db @15')

Central Lubrication System

Body Vibrator (12 Volt Electric)

Boom out of Rest Alarm (Triggers alarm in Cab to Indicate Boom is not Properly Stored)

LED Arrow Stick (Factory Standard)

Boom Mounted Work Lights (2)

Body Mounted Work Lights (2) on Shroud

Rear Door Work Lights (2)

(12 Light) Premium Strobe Package

Wireless Remote Water Pressure Control

Rear Back up Camera System w/ 7' Color Monitor Mounted in Cab

Six (6) 28" D.O.T. Safety Cones and Holder

**Freightliner 108SD Plus Single Axle**

115,412.00

**Additional Charges**

EQP SOURCEWELLDISCOUNT

-10,083.15

EQP SHIPPING

4,000.00

**Comments**

Sourcewell Contract #101221-SCA

Sewer Equipment - High Pressure Jetting, Vacuum,

Hydro-Excavating & Recycling

Maturity Date: 11/29/2025

\*\*\*\*\*

**PLEASE BUDGET FOR A 3% PRICE INCREASE ON PURCHASES**

**MADE AFTER DECEMBER 31, 2024**

\*\*\*\*\*

Item X13.

<b>Selling Price:</b>	445,433.85
<b>Tax:</b>	
<b>Net Selling Price:</b>	445,433.85

**Accepted by:**

**Prepared by:**

*Item X13.*



**Solicitation Number: RFP #101221****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Sewer Equipment Co. of America, 1590 Dutch Rd., Dixon, IL 61021 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Sewer Vacuum, Hydro-Excavation, and Municipal Pumping Equipment with Related Accessories and Supplies from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

**1. TERM OF CONTRACT**

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 29, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

**2. EQUIPMENT, PRODUCTS, OR SERVICES**

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

### **3. PRICING**

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be



returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

#### **4. PRODUCT AND PRICING CHANGE REQUESTS**

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

## **5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS**

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

## **6. PARTICIPATING ENTITY USE AND PURCHASING**

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

## **7. CUSTOMER SERVICE**

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Participating Entity inquiries; and
- Business reviews to Sourcwell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

## 8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcwell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Supplier will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

#### **9. AUTHORIZED REPRESENTATIVE**

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

#### **10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE**

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

### **11. INDEMNITY AND HOLD HARMLESS**

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

### **12. GOVERNMENT DATA PRACTICES**

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

### **13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT**

#### **A. INTELLECTUAL PROPERTY**

1. *Grant of License.* During the term of this Contract:
  - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
  - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively “Permitted Sublicensees”) in advertising and promotional materials for the purpose of marketing the Parties’ relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

*3. Use; Quality Control.*

- a. Neither party may alter the other party’s trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party’s trademarks only in good faith and in a dignified manner consistent with such party’s use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

*5. Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party’s name or logo (excepting Sourcewell’s pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell’s written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. **ENDORSEMENT.** The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.



#### **14. GOVERNING LAW, JURISDICTION, AND VENUE**

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

#### **15. FORCE MAJEURE**

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

#### **16. SEVERABILITY**

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

#### **17. PERFORMANCE, DEFAULT, AND REMEDIES**

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

## 18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

## **19. COMPLIANCE**

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

## **20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION**

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

## 21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names



of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation



and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

**22. CANCELLATION**

Sourcwell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcwell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcwell

Sewer Equipment Co. of America

DocuSigned by:  
*Jeremy Schwartz*  
By: C0FD2A139D06489...  
Jeremy Schwartz  
Title: Chief Procurement Officer  
Date: 11/23/2021 | 8:44 PM CST

DocuSigned by:  
*Shawn Bondele*  
By: B5011C400B714B6...  
Shawn Bondele  
Title: Inside Sales Manager  
Date: 11/23/2021 | 4:13 PM EST

Approved:

DocuSigned by:  
*Chad Coauette*  
By: 7E42B8F817A64CC...  
Chad Coauette  
Title: Executive Director/CEO  
Date: 11/24/2021 | 6:48 PM CST

# RFP 101221 - Sewer Vacuum, Hydro-Excavation, and Municipal Pumping Equipment with Related Accessories and Supplies

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## Vendor Details

Company Name: Sewer Equipment Co. of America  
Does your company conduct business under any other name? If yes, please state: IL  
Address: 1590 Dutch Road  
DIXON, IL 61021  
Contact: Shawn Bondele  
Email: shawnbondele@sewerequipment.com  
Phone: 815-835-5623  
Fax: 815-284-0452  
HST#: 36-2786536

## Submission Details

Created On: Wednesday August 25, 2021 07:50:30  
Submitted On: Monday October 11, 2021 15:11:12  
Submitted By: Shawn Bondele  
Email: shawnbondele@sewerequipment.com  
Transaction #: 44e1e7e4-e719-4802-a155-e76c8332dafc  
Submitter's IP Address: 98.142.194.242

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## Specifications

**Table 1: Proposer Identity & Authorized Representatives**

**General Instructions** (applies to all Tables) Sourcwell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Sewer Equipment Co. of America
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Rock Rentals
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Sewer Equipment
4	Proposer Physical Address:	1590 Dutch Rd., Dixon, IL 61021
5	Proposer website address (or addresses):	www.sewerequipment.com, www.rock-rental.com, www.sewershop.com
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Shawn Bondele Inside Sales Manager 1590 Dutch Rd. Dixon, IL 61021 shawnbondele@sewerequipment.com 815-835-5566
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Shawn Bondele Inside Sales Manager 1590 Dutch Rd. Dixon, IL 61021 shawnbondele@sewerequipment.com 815-835-5566
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Tom Hochmuth Regional Sales Manager 1590 Dutch Rd. Dixon, IL 61021 tomhochmuth@sewerequipment.com 815-342-1700  Vanessa Gomez Inside Sales Coordinator 1590 Dutch Rd. Dixon, IL 61021 vanessagomez@sewerequipment.com 815-835-5566

Table 2: Company Information and Financial Strength

Line Item	Question	Response *															
9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>"Best Product, Best Local Support" is a promise to our customers and is also a tagline that acts as a guiding principle to us each day. We have long been known for robust and innovative products that focus on simplicity, an increasingly rare characteristic in our marketplace. Sewer Equipment is also unique among manufacturers for our breadth of product, which ultimately allows our salespeople and distributors to sell in a consultative fashion. No other manufacture provides full size combination (jet/vacuum) trucks, mini combo trucks, water recycling combo trucks, truck and trailer jets both large and small, rodders, easement machines, and accessories for sewer cleaning applications as well as purpose built hydro excavation and air excavation trucks of all sizes.</p> <p>Our 76-year history has been one of growth and meaningful innovation. In 1941, our founder, H.T. O'Brien, developed the idea of using a rotating, spring tipped rod for cleaning drains in buildings, and a company was born. Throughout the 1940's and into the 1960's, O'Brien Manufacturing refined and expanded this principle to include trailer mounted rodders for cleaning mainline sewer pipes – these rodders were the predecessors of today's sewer jettors. The late 1960's saw the advent of modern-day sewer jet trucks and water powered rotating root cutters by O'Brien. O'Brien Manufacturing was sold in the early 70's and Sewer Equipment Company of America was opened by Jim O'Brien, son of the founder. The company grew from accessory sales to the manufacture of rodders, bucket machines, vacuum trailers, and truck and trailer jettors. In the mid 2000's we began manufacturing an extensive line of hydro excavating trucks and trailers. In 2012, the company was moved from a 37,000 sq/ft manufacturing facility in Chadwick IL to a 122,000 sq/ft plant in Dixon IL to accommodate our growth. This move allowed us to begin producing the 900-ECO combination sewer cleaner 2015. In the 6 years since its release, the 900-ECO has achieved approximately a 13% share of this hotly contested segment, measured in annual new truck sales in the US. In the last 4 years, we have also released the 400-ECO mini combo truck, the Genesis water recycling combo, and the AX-4000 air excavator truck. May of 2021 marked the completion of our 9000th piece of "big equipment" in company history.</p>															
10	What are your company's expectations in the event of an award?	We would immediately schedule a video conference meeting with all distributor sales personnel, reiterating the terms of the contract and calling attention to any changes. This would be followed up with in person reviews as well as e-mail / social media blasts to dealers and end users. We would remain the sole source of responsibility for this contract and would handle all order entry and reporting tasks required by the contract as we currently do.															
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Sewer Equipment has a consistent track record of growth and profitability. The company's past performance assures ample resources to enhance our product offerings for the markets we serve. Sewer Equipment maintains insurance coverage that is customary for the business being conducted. (Attachment – 11-2020 Sewer Equipment Co....., 11 – Huntington National Bank....., 11 – 2021-2022 Sewer Equipment COI)															
12	What is your US market share for the solutions that you are proposing?	<p>Our US Market Share data listed here for combination trucks, truck jets, and hydro excavation trucks is based on data reporting through the American Association of Equipment Manufacturers.</p> <table border="1"> <tr> <td>Combination Sewer Cleaners</td> <td>(2018) 6.4%</td> <td>(2019) 7.1%</td> <td>(2020) 14%</td> <td>(2021y.t.d.) 13.3%</td> </tr> <tr> <td>Truck Jets</td> <td>(2018) 58.5%</td> <td>(2019) 8%</td> <td>(2020) 44.6%</td> <td>(2021y.t.d.) 31.7%</td> </tr> <tr> <td>Hydro-Excavation Trucks</td> <td>(2018) 5.9%</td> <td>(2019) 9.3%</td> <td>(2020) 6.9%</td> <td>(2021y.t.d.) 8.1%</td> </tr> </table>	Combination Sewer Cleaners	(2018) 6.4%	(2019) 7.1%	(2020) 14%	(2021y.t.d.) 13.3%	Truck Jets	(2018) 58.5%	(2019) 8%	(2020) 44.6%	(2021y.t.d.) 31.7%	Hydro-Excavation Trucks	(2018) 5.9%	(2019) 9.3%	(2020) 6.9%	(2021y.t.d.) 8.1%
Combination Sewer Cleaners	(2018) 6.4%	(2019) 7.1%	(2020) 14%	(2021y.t.d.) 13.3%													
Truck Jets	(2018) 58.5%	(2019) 8%	(2020) 44.6%	(2021y.t.d.) 31.7%													
Hydro-Excavation Trucks	(2018) 5.9%	(2019) 9.3%	(2020) 6.9%	(2021y.t.d.) 8.1%													
13	What is your Canadian market share for the solutions that you are proposing?	<p>Our Canadian Market Share data listed here for combination trucks, truck jets, and hydro-excavation trucks is based on data reporting through the American Association of Equipment Manufacturers.</p> <table border="1"> <tr> <td>Combination Sewer Cleaners</td> <td>(2018) 1.7%</td> <td>(2019) 2.0%</td> <td>(2020) 7.7%</td> <td>(2021y.t.d.) 7.5%</td> </tr> <tr> <td>Truck Jets</td> <td>(2018) 66.7%</td> <td>(2019) 42.9%</td> <td>(2020) 75%</td> <td>(2021y.t.d.) 75%</td> </tr> <tr> <td>Hydro-Excavation Trucks</td> <td>(2018) 2.1%</td> <td>(2019) 2.0%</td> <td>(2020) 0%</td> <td>(2021y.t.d.) 7.8%</td> </tr> </table>	Combination Sewer Cleaners	(2018) 1.7%	(2019) 2.0%	(2020) 7.7%	(2021y.t.d.) 7.5%	Truck Jets	(2018) 66.7%	(2019) 42.9%	(2020) 75%	(2021y.t.d.) 75%	Hydro-Excavation Trucks	(2018) 2.1%	(2019) 2.0%	(2020) 0%	(2021y.t.d.) 7.8%
Combination Sewer Cleaners	(2018) 1.7%	(2019) 2.0%	(2020) 7.7%	(2021y.t.d.) 7.5%													
Truck Jets	(2018) 66.7%	(2019) 42.9%	(2020) 75%	(2021y.t.d.) 75%													
Hydro-Excavation Trucks	(2018) 2.1%	(2019) 2.0%	(2020) 0%	(2021y.t.d.) 7.8%													
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Since its formation, Sewer Equipment has never petitioned for bankruptcy protection.															
15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	As a manufacturer, our primary means of going to market is via exclusive distributors that are typically responsible for covering the municipal entities in an entire state/states, multiple provinces, or multiple countries. We have distributors in 46 States and 2 Providences in Canada, as well as 5 overseas countries. The only exception is in some states/provinces that are in a transitional phase. Distributors act on our behalf as local sales, service, training, and warranty providers. These distributor sales and service people are 3rd party employees and are looked after by regional sales managers from Sewer Equipment. Distributor service personnel work closely with, and have direct access to Sewer Equipment's warranty department, technical service department and engineering group.															
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>As a United States based company, we are an Illinois corporation registered with the Illinois Secretary of State (File No. 50370119). Our Federal Employer Identification Number is 36-2786536. Our Illinois Certificate of Resale Number is 0252-2705.</p> <p>As a manufacturing making mobile products operating on US highways, we have two dealer licenses. DL1582 for trucks and DLT1419 for trailers. Each of our Dealers also hold Dealer Licenses in their respective territories.</p> <p>Where required, Sewer Equipment is licensed as a Manufacturer or Motor Vehicle Converter including Iowa Manufacturer License No. M241, Texas Motor Vehicle Converter License No. 105517, Louisiana Motor Vehicle Converter License No. CV-2021-00122, Washington Vehicle Manufacturer License No. 08152 and Montana New Motor Vehicle Manufacturer License No. 139.</p> <p>Sewer Equipment is also a member of the National Association of Trailer Manufacturers. This assures our trailers are manufactured in accordance with all DOT and NATM guidelines.</p>															
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Sewer Equipment has not within the ten-year period preceding this bid been debarred or suspended from any public transactions (Federal, State, or local).															

**Table 3: Industry Recognition & Marketplace Success**

Line Item	Question	Response *
18	Describe any relevant industry awards or recognition that your company has received in the past five years	Sewer Equipment was awarded patent number "US 9,863,135 B2" for our Hydro-Drive system on January 9th, 2018. This Hydro-Drive System is the heart of our 900-ECO Combination Sewer Cleaner and has been a major contributor to the continued growth and success of our company.  In the July 2021 issue of THE MUNICIPAL, Sewer Equipment was featured in an article "Moving Beyond Transactional Relationships Toward Partnerships." referencing a sale to King County, WA, where they utilized the Sourcewell Contract for the purchase and National Cooperative Lease for the financing.  Sewer Equipment's products are in focus on almost a monthly basis in Industry Trade Publications such as CLEANER, DIG DIFFERENT, and MUNICIPAL WATER & SEWER.
19	What percentage of your sales are to the governmental sector in the past three years	(2018) 47%, (2019) 52%, (2020) 53%, (2021) 54%
20	What percentage of your sales are to the education sector in the past three years	(2018) .032%, (2019) .058%, (2020) 0%, (2021) 0%
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	The figures below do not include state and other local contracts that are managed by our distributors. These are only contracts held directly by Sewer Equipment.  HGAC (2018) \$361,491.00, (2019) \$496,502.00, (2020) \$0.00, (2021) \$0.00, State of Ohio (2018) \$66,914.00, (2019) \$337,639.00, (2020) \$569,970.00, (2021) \$248,523.00 Florida Sheriffs (2018) \$0.00, (2019) \$0.00, (2020) \$0.00, (2021) \$87,886.00 BuyBoard (2018) \$0.00, (2019) \$0.00, (2020) \$0.00 (2021) \$52,325.00
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Sewer Equipment partners with Fedharmony on a GSA contract. We also directly hold a DLA contract.  GSA (2018) \$0.00, (2019) \$250,619.00, (2020) \$263,271.00, (2021) \$58,479.00 DLA (2018) \$0.00, (2019) \$256,309.83, (2020) \$274,847.00, (2021) \$0.00

**Table 4: References/Testimonials**

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *
City of Reno, NV	Zac Haffner	775-399-8692
City of Salem, OR	Jerry Smith	503-385-7560
City of Atlanta, GA	Robert Horton	404-982-1426

**Table 5: Top Five Government or Education Customers**

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *
City of Atlanta, GA	Government	Georgia - GA	Combination Sewer Cleaners	8 - 900-ECO's	\$2,171,740.00
City of Reno, NV	Government	Nevada - NV	Combination Sewer Cleaners, Truck Jets, Easement Machines	3 - 800-HPRs, 3 - 900-ECO's, 1 - JAJ-600WH	\$1,141,776.00
Snohomish County	Government	Washington - WA	Combination Sewer Cleaners	3 - 900-ECO's	\$812,988.00
City of Salem, OR	Government	Oregon - OR	Combination Sewer Cleaners	3 - 900-ECO's	\$755,912.00
City of Hamilton, ON	Government	ON - Ontario	Hydro Excavators	2 - Ramvac HX-12's	\$705,804.00

**Table 6: Ability to Sell and Deliver Service**

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
25	Sales force.	We directly employ a national sales manager as well as an eastern, central, and western regional sales manager that are responsible for our distributor network. We employ 3 inside salespeople as well as 7 direct salespeople that serve markets that are not fully covered by distribution (primarily contractors, but also some federal agencies and education to a very small degree). Three full time demonstration specialists work with our regional sales managers and distributor salespeople to allow our customers to "try it before they buy it", which is a very important aspect of our sales program.

26	Dealer network or other distribution methods.	In total, our distributor network employs approximately 140 salespeople. As a premium specialty product, our distributors are quite focused on the Sewer Equipment line, typically spending 50% or more of their efforts on our offerings. A new focus moving forward will be an intensive product and presentation technique training (SEAL - Sewer Equipment Advanced Learning) program for our distributors, with the goal being the most educated and knowledgeable sales staff in the industry. This has already begun with a dealer "walkaround" event (live product presentation), in which dealer salespeople presented several products to their peers and factory personnel and were graded for certification purposes. This program will be expanded with more events and more content in the coming years.	*
27	Service force.	(See attachment: 27 Service Distributor Map – US) As the Sewer Equipment distributor network evolves, our service presence has improved in recent years. With more professional organizations in our ranks, our number of service techs at the dealer in the US and Canada is approximately 170. Each of our distributors is required to have at least two technicians certified at Sewer University, a multi-day class that is regularly held at our Dixon IL headquarters. 99% of our customer's service needs are accommodated at the distributor level. Sewer Equipment also employs 3 mobile service technicians equipped with service trucks that fill in any gaps in service coverage and cover special projects. A relatively unique offering for customers in remote regions is our willingness to provide warranty coverage via a 3rd party repair shop of their choice or to reimburse the customer to perform simple warranty repairs themselves. This is very popular among customers in the rural western US, and is largely made possible by our simple products and factory tech support.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	As in the past, Sewer Equipment distributors will provide Sourcewell quotations to customers and will accept purchase orders from customers following Sourcewell guidelines as called out in our Quick start guide for distributors which will be updated (Attachment - 28 Quick Start Guide for dealers- Sourcewell INTERNAL - rev6 4-6-2020). Upon securing the order from the end user, the distributor will in turn place their order with Sewer Equipment and must include a copy of their customer's purchase order complete with Sourcewell discount information, customer Sourcewell number, and our Sourcewell contract number. Said in a simpler way, customers will order from their authorized distributor, and the distributor will order from Sewer Equipment as they normally would, with the exception that Sourcewell quote and order protocols will be followed.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	The first and likely most important aspect of our service program is building equipment that can be worked on by the customer or a local shop. Because Sewer Equipment has consciously avoided the use of computers, circuit boards, and CANbus communication protocols in our products, a mechanic with traditional skills and a knowledge of 12-volt wiring systems can often help themselves. If the customer does not possess the skills or cannot resolve the issue on their own, they should make a call to their local distributor to schedule a service visit, or to our corporate service technicians for assistance via the phone.  Our corporate, in-house customer service department is comprised of both parts sales specialists and technical support specialists that provide toll-free service and tech support 24-7 & 365 days a year to end users and distributor service groups. Depending upon the issue, many can be handled over the phone with minor adjustments to either the operator's use of the equipment or to the machine itself. Our support specialists have extensive experience in troubleshooting issues and offering solutions.  If repair service and parts are required, our specialists will work with the customer and/or dealer to most quickly and easily remedy the situation. To assist in this process, each unit we build is assigned a 4 digit serial number that allows us to retrieve electronic copies of every document related to the system from the sales order to product manuals that contain as built wiring diagrams and hydraulic schematics.  We stock an extensive inventory of repair parts and accessories to give expedited service to our customers. Due to our stock levels and standardization on most buy out components, we have a track record of consistently shipping 95+% parts the same day ordered. For those remaining parts, we go to our vendor suppliers for support to meet our customer and dealer network needs.  In regard to response time, most customers can expect a personal visit from a dealer technician within 24 hours with some exceptions due to geographic challenges. As detailed above, technical phone support is available all day, every day.	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	All personnel, physical assets, and procedures are already in place to provide our products and product support nationwide.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are prepared and have already utilized the Sourcewell contract in Canada for a substantial transaction with Hamilton, Ontario (2 Hydro-Excavator trucks)	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Hawaii is the only geography not covered by an exclusive distributor, but we do utilize a non-exclusive reseller to facilitate service issues and the few sales that we see there.	*
33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Although we are willing and able to serve all sectors, 98-99% of our customers fall in the government segment with some tribal entities and an occasional school district or university mixed in.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	We do not have any restrictions in regards to the contract for the States of Alaska and Hawaii.	*



**Table 7: Marketing Plan**

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<ul style="list-style-type: none"> <li>• Product Literature: We display the Sourcewell contract awarded logo on our product line cards, product catalogs, and our website. See supporting document "Sewer Equipment Co. of America Full Product Line Catalog".</li> <li>• Website: We will highlight this in our website blog content when awarded and highlight on our social platforms.</li> <li>• Magazines: Collaborate with Industry Partners and Trade Publications advertise and write articles highlighting the benefits of utilizing the Sourcewell Contract.</li> <li>• Training on Finance Options: Promote the use of the Contract and Finance Options during our yearly Dealer Meetings.</li> <li>• Main Phone Line: Our on-hold message for our main Sewer Equipment phone line includes a narrative describing the contract and benefits to our customers.</li> <li>• Tradeshows: We display Sourcewell flags/banners at the major industry shows and our distribution (dealer) partners do as well at dozens of local shows each year.</li> <li>• Field: Our three regional sales managers, national sales manager, and demonstration specialists promote the contract at in person customer visits and demonstrations. Trailing has also been provided to our distribution (dealer) partners on how to also promote the contract in the field</li> </ul>
36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Our marketing platforms include: our websites (Sewer Equipment and Rock Rental), ad campaigns through Google AdWords, LinkedIn ads, and Facebook ads, social media platforms such as LinkedIn, Facebook, and Twitter, advertising and editorial content with trade magazines, and email campaigns to established dealer networks and customers.
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>We feel that Sourcewell provides the medium and Sewer Equipment supplies the product, both supplying prospects. Sourcewell's marketing efforts are important to expose municipalities to the contract and the accepted option as an alternative to the traditional bid process. Sewer Equipment's responsibility is to market our product to prospects and our distribution network.</p> <p>Integrate Into Sales Process:</p> <ul style="list-style-type: none"> <li>• We will continue with our existing plan which is mentioned in number 35 above. In addition to what is mentioned we have additional plans already in place that we will continue with that include: <ul style="list-style-type: none"> <li>o WWETT show, Indianapolis, February 2022: announce renewal of contract at annual dealer meeting.</li> <li>o Each year we present the top 3 Sourcewell dealer salespersons with monetary awards covered by Sewer Equipment.</li> <li>o Our secured dealer portal website includes: all Sourcewell pricing, Sourcewell quick start guide which outlines all pertinent details of our contract.</li> <li>o Internal quarterly sales meeting includes update on sales success regarding the contract.</li> <li>o When a new dealer is brought on, we allocate for 1 hour of Sourcewell training.</li> </ul> </li> </ul>
38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	We do not have an e-procurement system in place at this time.

**Table 8: Value-Added Attributes**

Line Item	Question	Response *
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	<p>Operational training is standard and provided free of charge by our distributors at time of delivery of new machines. Because a large percentage of our customers are repeat buyers, we choose to offer additional on-site operator training by a factory representative on an optional basis for those that feel they need it. Price is \$1,839.00 for the first day and \$1,370.00 for each subsequent day, including all expenses such as transportation.</p> <p>Model specific maintenance training is optional, customizable, and available on demand. This covers daily, weekly, monthly, and annual maintenance requirements as well as basic and model specific troubleshooting. This is typically 2 days at our plant and is \$943 per person. Meals and lodging are included in the price and customer is responsible for transportation.</p>
40	Describe any technological advances that your proposed products or services offer.	<p>Our primary "advancement" revolves around the principle of keeping our systems simple. Particularly in the combination truck, hydro excavator, and full-size truck jet market, nearly every manufacturer has moved to microprocessor-controlled modules that incorporate touch screens and complex digital user interfaces. We have retained the use of traditional 12-volt control systems. This makes our trucks easier and safer to run, easier to maintain without special training and tools (increasing up-time) and eliminates the obsolescence and fragility of high-tech components.</p> <p>We are in the process of manufacturing the world's only battery powered rodder for the City of Seattle sewer collections department.</p> <p>The Genesis Recycling Combination truck is an exclusive partnership with Cappellotto of Italy that allows us to offer their world leading technology of this product in North America with the sales efforts and support of our nationwide dealer network.</p> <p>Our patented Hydro Drive system utilized on our 900-ECO drives our blower and water pump in a very unique but surprisingly simple manner that offers a host of benefits. Eliminating the transfer case present in most other designs removes a potential maintenance headache, allows our truck to work in neutral offering unmatched operator safety and ease of setup, and consumes less horsepower, thus cutting fuel consumption and emissions.</p> <p>The 800-HPRTV Series IV was recently refined and is the most user friendly and productive TV/Jet combination systems in the truck and trailer market, allowing customers to TV and clean sewer lines simultaneously.</p>

41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>Company</p> <p>2020 solar panel project.</p> <p>Through the Illinois Adjustable Block Program Sewer Equipment's 706.86 kW solar system is generating 11,871 REC's (Renewable Energy Credits). (attachment – 41 Sewer Equipment Solar Renewable... and attachment - 41 Illinois Adjustable...), Sewer Equipment participated in ComEd's Smart Inverter rebate program which incentivizes non-residential customers to make renewable energy investments. (attachment – 41 Smart Inverter...)</p> <p>To date, Sewer Equipment's solar charging system has saved CO2 emissions of 895,396 lbs. (attachment 41 Solar Edge summary.)</p> <p>Battery powered forklifts and material handling devices utilize solar charging</p> <p>Adoption of low VOC paints has decreased overall VOC generation despite a 10-fold increase in production in the last 10 years.</p> <p>Installation of a water recirculation system for jetter testing, saving hundreds of thousands of gallons per year.</p> <p>Recycling Program</p> <p>Utilization of reusable, steel transport skids for our locally sourced large components eliminates the need for one-use wood and plastic skids.</p> <p>Recycling of wood and cardboard shipping components</p> <p>Plant-wide paper and plastic recycling program</p> <p>Products</p> <p>The Genesis recycler combo truck can clean sewers all day without using a drop of fresh water. It processes the debris and water that is vacuumed during the operating process, using the reclaimed water for jetting.</p> <p>Our 900-ECO truck, 800HPR-ECO truck and 747-ECO trailer operating system allows the engine to operate at 30-50% lower speed while in the work mode, offering reductions in fuel use, emissions, and ambient noise.</p> <p>Our rodders are the only commonly accepted waterless sewer cleaning tools, making them popular in arid regions where water conservation is of importance. Thousands of gallons of water are saved daily versus traditional sewer jet-vac technology.</p> <p>Although traditionally gas powered, we have now developed a battery powered rodder.</p> <p>Biodegradable hydraulic fluid is offered as an option in all our systems.</p> <p>We have manufactured several CNG powered jet trucks for the Southern California Market</p>
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	<p>Sewer Equipment has not received any third-party ECO ratings specifically. However, a patent has been granted by the US Patent office for our HydroDrive system described above, as used on our 900-ECO. This system does provide fuel saving vs traditional drive systems. (Attachment 42 HydroDrive...)</p>
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	<p>We continue to receive the EDGE credit from the State of Illinois. This credit is based on the number of jobs created and retained. (Attachment 43 Edge Credit.....)</p>
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>One of the most unique attributes of our offering is our unprecedented breadth of product. No other manufacturer in our marketplace offers everything from small jetters used in the plumbing segment to full size combo trucks, and everything in between. This means that our distributors can be consultants starting with assessing a customer's needs and then supplying the proper product. This also makes us one of the only suppliers of smaller products in the sewer industry that has a strong nationwide sales and service network.</p>

**Table 9A: Warranty**

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
45	Do your warranties cover all products, parts, and labor?	Sewer Equipment's standard warranty policy covers all items manufactured by Sewer Equipment except for wear items. Many major components are covered by their respective manufacturers warranty policy. (Attachment 45 Warranty Policy.....)
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Sewer Equipment's standard warranty policy covers 12 months or use or 2000 hours. The 2000 hours limit covers typical usage by all Municipalities.
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Sewer Equipment provides up to 3 hours of travel time for warranty reimbursement. Our Dealers pick up travel time in addition to the 3 hours as needed. Our Municipal customers do not have to pay for travel time regardless of where they are located.
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcwell participating entities in these regions be provided service for warranty repair?	Sewer Equipment has dealers that cover 46 of States in the U.S. In Canada we have dealers currently covering 4 Provinces. Our dealers cover service in these areas. For customer in other states or provinces in Canada we have two options for service. First Sewer Equipment employs direct field service personnel that we can send directly to the customers locations. We also work with third party service centers across North America that will do warranty work on Sewer Equipment products. Regardless of the customers location, we have service handled.
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Sewer Equipment assist in processing warranty claims for all purchased items covered by their respective manufacturer's warranties. For most items we handle these claims directly with the manufacturer for a seamless claim by the end user. This would be similar to claims on Sewer manufactured items. The only exception is auxiliary engines. Engine warranty claims and repairs are handled by the respective manufacturers service centers around the country. Sewer Equipment does assist with communication between the end user and the service center.
50	What are your proposed exchange and return programs and policies?	If the customer decides to return a purchased item such as a spare part, Sewer Equipment charges a 25% re-stocking fee. The customer will also be responsible for shipping charges. This policy does not apply to new custom-built equipment sold through our dealer network. Any potential return for new equipment would be negotiated with the selling dealer.
51	Describe any service contract options for the items included in your proposal.	Sewer Equipment's dealer network offers service packages for customers. These packages are priced by our dealers. For regions not supported by our dealer network, Sewer Equipment offers quarterly maintenance packages with work performed by our own Field Service Personnel. Pricing is on a case-by-case basis based on expectations of the customer.

**Table 9B: Performance Standards or Guarantees**

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
52	Describe any performance standards or guarantees that apply to your services	Sewer Equipment does not have any performance guarantees that apply to service. We do offer a 27/7 phone support for all service-related issues. For urgent parts needs, we typically ship 90% of orders within 24 hours.
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	We do not have service performance standards currently but are looking to implement a program in 2022.

**Table 10: Payment Terms and Financing Options**

Line Item	Question	Response *
54	Describe your payment terms and accepted payment methods?	Sewer Equipment's payment terms for all municipal and educational Customers is Net 30. Our dealers would also utilize Net 30-day terms to their customers.
55	Describe any leasing or financing options available for use by educational or governmental entities.	Sewer Equipment utilizes and recommends NCL Government Capital for leasing options to our Municipal Customers. This has proved very useful for long term leasing arrangements. For short term rental needs, we offer rentals through our subsidiary Rock Rentals. Many of our dealers also partner with us in offering short term equipment rentals.
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Sewer Equipment and our dealers utilize our standard Sourcwell Price sheets for quoting to our customers. When a customer submits a purchase order to one of our dealers, the dealer submits a copy of the customer purchase order along with the worksheet used for quotation to us. We utilize this information to establish the Sourcwell Contract fee. All other related transaction documents are handled between our dealers and customers. See copies of our worksheets uploaded in the pricing section.
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcwell participating entities for using this process?	Sewer Equipment does not accept P-Card for payments currently.

**Table 11: Pricing and Delivery**

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcwell Price and Product Change Request Form.

Line Item	Question	Response *
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Sewer Equipment utilizes a straightforward discount off list pricing model for all our new equipment sales. This also applies to all spare parts and accessories. Pricing for all our new equipment models has been uploaded and is included with this submittal. We do not utilize SKUs for our equipment. All worksheets are identified by their model name. Pricing for all parts and accessories is not included with this submittal as the number of items is quite large. MSRP pricing for most items can be found at <a href="http://www.sewershop.com">www.sewershop.com</a> .
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	The Sourcwell Contract discount for all new equipment is 3% off MSRP. The discount for parts and accessories is 5% off MSRP. The discount for rentals is 3% off published rates. The buyout price for rentals if applicable is priced at 3% off MSRP. These discounts are minimums, and our dealers may provide additional discounts.
60	Describe any quantity or volume discounts or rebate programs that you offer.	Sewer Equipment does not have a standard volume discount pricing structure. However, us and our dealers will offer volume discounts as necessary on a case by case basis. When offered, these discounts are noted on the quote to be above and beyond the standard Sourcwell discount.
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	Sewer Equipment and/or our dealers will provide non-standard items to be mounted on our equipment at request of our customers. These items are quoted on a case-by-case basis and are considered part of our product. These non-standard items are subject to the Sourcwell discount.  Sewer Equipment and/or our dealers will also supply chassis for our truck mounted models. These chassis are currently being quoted at cost on a case by case basis due to pricing influx in the market. We consider these items to be "pass-thru" items and are not subject to Sourcwell discounts or fee reporting.
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Items that can be included on a quotation to a customer but are not on our pricing worksheet or discussed in the above sections include the following. Dealer supplied freight, training, and pre-delivery inspections. These items are not subject to Sourcwell Discount or fee reporting.
63	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	Sewer Equipment charges freight from our Dixon, IL location to our Dealers location. We charge freight on a per mile bases. Our dealers may impose an additional charge for freight from their location to the customers location depending on location. That is a separate charge as listed in question 62.
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	For freight charges to customers located outside of the continental United States or Canada, we will with our freight broker to establish the lowest price options for our customers. Our customers are also welcomed to take on the freight responsibility themselves.
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	We do not currently offer any unique freight programs other that what is listed above.

**Table 12: Pricing Offered**

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	Sewer Equipment has always offered a discount from list price on the Sourcwell Contract.

**Table 13: Audit and Administrative Fee**

Line Item	Question	Response *
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	<p>Our Sourcewell pricing worksheets are accessible for download on our dealer website. This assures that our dealer sales staff have access to the correct price pages. These contract specific price sheets have the 3% minimum discount already listed to prevent error.</p> <p>Sewer Equipment audits every incoming order to determine if our Dealers have sold it via the Sourcewell Contract. If it was determined it was a Sourcewell sale, we verify all contract pricing via our worksheet and the customer purchase order. Every customer purchase order utilizing the Sourcewell contract must list their Sourcewell membership number and Sewer Equipment's contract number. Upon confirming the order is purchased via the contract, we document every order on an Excel spreadsheet. This spreadsheet tracks contract sell price, contract fee, and so on. Our Accounting Department audits this spreadsheet on every order that is completed before shipping. We also identify the use of the contract on our order tracking database for an easy to access record of all Sourcewell orders.</p> <p>For fee reporting and remittance we have a dedicated person in our Accounting Department that audits the Sourcewell Orders spreadsheet and reports sales on a quarterly basis. Fees are paid based on this quarterly reporting.</p>
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	We continually monitor contract usage against overall sales volumes through our Dealerships. We track and award the highest grossing dealer salesperson that utilizes the Sourcewell Contract on a yearly basis during our dealer awards ceremony. It should be noted that the Sourcewell Contract is the only contract where we offer this award. We also compare the Sourcewell contract against competing national contracts and dealer held state contracts. These comparisons help us to put emphasis on training dealer sales staff.
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	<p>Sewer Equipment will pay an administrative fee to Sourcewell based on 1% of the Sourcewell sell price to the customer. This 1% fee is paid on our equipment, spare parts, and accessories. We do not pay the administrative fee on chassis which are considered a pass thru with our units. We will also pay the 1% administrative fee on all rental billings limited to 18 months and to buyouts of rentals based on the negotiated buyout price.</p> <p>The fees are calculated and paid on a quarterly basis.</p>

**Table 14A: Depth and Breadth of Offered Equipment Products and Services**

Line Item	Question	Response *
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>Sewer Equipment is offering an extensive range of equipment that all fall into the Sewer Vacuum, &amp; Hydro-Excavation Category on this proposal. Our list of offered equipment is as follows....</p> <ul style="list-style-type: none"> <li>• Our models 400-ECO &amp; 900-ECO Combination Sewer Cleaners</li> <li>• Our Genesis Recycler Sewer Cleaner</li> <li>• Our Mongoose Series of Truck and Trailer Jetters</li> <li>• Our 545 &amp; 747 Series of Truck and Trailer Jetters</li> <li>• Our 800 Series Truck Jetters</li> <li>• Our Ramvac Series Hydro Excavation Trucks</li> <li>• Or Ramvac Series Air Excavation Trucks.</li> <li>• Our JAJ Series of Easement Machines for Sewer Cleaning</li> <li>• Our 444, 866 &amp; 877 Rodders for Sewer Cleaning</li> <li>• Spare parts and Accessories for above listed equipment.</li> <li>• Our Rental Program of above equipment.</li> </ul>
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	All our equipment falls under the primary category on the proposal.

**Table 14B: Depth and Breadth of Offered Equipment Products and Services**

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Sewer vacuums or combination sewer cleaners	<input checked="" type="radio"/> Yes <input type="radio"/> No	See Equipment List
73	Hydro or air excavation equipment	<input checked="" type="radio"/> Yes <input type="radio"/> No	See Equipment List
74	Jetters and rodders	<input checked="" type="radio"/> Yes <input type="radio"/> No	See Equipment List
75	Dewatering, mud, trash, and centrifugal pumps	<input type="radio"/> Yes <input checked="" type="radio"/> No	No items specifically in this category, but our Geneisis Recycler unit does de-water before dumping.
76	Pumps used in lift stations, sewage treatment, water treatment, or water collection facilities	<input type="radio"/> Yes <input checked="" type="radio"/> No	No items specifically in this category, but our 900-ECO with optional trash pump can be used as an emergency pump system.
77	Accessories, supplies and replacement or wear parts related to the offerings above.	<input checked="" type="radio"/> Yes <input type="radio"/> No	

**Table 15: Industry Specific Questions**

Line Item	Question	Response *
78	Describe any product or equipment features that improve operator safety.	Our 900-ECO with patented HydroDrive system operates with the transmission in neutral and no transfer case required which has the potential to pop into gear and drive away. All of our ECO Series equipment operators at a reduced RPM for lowered noise for the operator. Our standard wireless remote has an e-stop safety check built in.
79	Describe any product or equipment innovations that increase uptime and operator productivity.	Our 900-ECO with patented HydroDrive system operates with the transmission in neutral and no transfer case required. The operator simply puts the truck in neutral, sets the parking brake, gets out of the truck, and turns on one switch to activate the unit. Then they can vacuum and/or jet within seconds. We do not utilize any completed computers or touch screens that prevent the operator from using while wearing gloves.  Our dig-deep boom available on the 900-ECO and our HX12 series allows for increase vacuum depth without the need for as many vacuum tube additions.

**Table 16: Exceptions to Terms, Conditions, or Specifications Form**

**Line Item 80. NOTICE:** To identify any exception, or to request any modification, to the Sourcwell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcwell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

**Documents**

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcwell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcwell.
3. Sourcwell may reject any response where any document(s) cannot be opened and viewed by Sourcwell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- [Pricing](#) - Price Sheets.zip - Monday October 11, 2021 13:50:43
- [Financial Strength and Stability](#) - Financials.zip - Monday October 11, 2021 13:51:14
- [Marketing Plan/Samples](#) - Marketing Documents.zip - Monday October 11, 2021 13:52:29
- [WMBE/MBE/SBE or Related Certificates](#) - 43 Edge Credit Cert of Verification.pdf - Monday October 11, 2021 13:53:20
- [Warranty Information](#) - 45 WARRANTY POLICY AND PROCEDURE.docx - Monday October 11, 2021 13:52:48
- [Standard Transaction Document Samples](#) - Sourewell Order Transaction Document.pdf - Monday October 11, 2021 13:57:20
- [Upload Additional Document](#) - Additional Documents.zip - Monday October 11, 2021 13:54:30



**Addenda, Terms and Conditions**

**PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE**

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
  1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
  2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
  3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Shawn Bondele, Inside Sales Manager, Sewer Equipment Co. of America

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

Yes  No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
<b>Addendum_3_Sewer_Vac_Hydro-Excavation_Pumps_RFP_101221</b> Thu September 30 2021 03:29 PM	<input checked="" type="checkbox"/>	2
<b>Addendum_2_Sewer_Vac_Hydro-Excavation_Pumps_RFP_101221</b> Fri September 10 2021 02:40 PM	<input checked="" type="checkbox"/>	2
<b>Addendum_1_Sewer_Vac_Hydro-Excavation_Pumps_RFP_101221</b> Thu August 26 2021 05:40 PM	<input checked="" type="checkbox"/>	1



**AGENDA ACTION FORM**

**Consideration of Approval of Offer for Right-of-Way Acquisition for the Pendragon Lift Station Replacement Project**

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

Action Form No.: AF-341-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: R. Trent, C. Austin  
Presentation By: R. McReynolds

**Recommendation:**  
Approve the Offers.

**Executive Summary:**

The Pendragon sanitary sewer lift station (#120) serves the western portions of the Ridgefields neighborhood and was originally constructed in 1967. The station has reached the end of its useful life and is included in the department's capital improvement plan due to the condition and capacity concerns. LDA Engineering was contracted to assess the station and write a Preliminary Engineering Report (PER) identifying options for rehabilitation or replacement of the station. The PER recommended replacement of the station with a submersible style station as the most cost effective alternative. In order to construct a new lift station adjacent to the existing station, we need to purchase property adjacent to the site. This will allow the existing station to remain in service while the new station is being built.

An appraisal has been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicates the fair market value as per the below property owner.

Tax Map/Parcel	Property Owner	Acquisition Area	Appraised Value
045I; B-001.00	Pace, LLC 2320 Pendragon Road Kingsport, TN 37660	4,418 sq. ft.	\$7,500.00

This project will be funded under #SW2204.

**Attachments:**

- Property Location Map

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Phillips	—	—	—
Mayes	—	—	—
Montgomery	—	—	—



# Pendragon Sewer Lift Station

Write a description for your map.

Legend



Ridgefields  
Country Club

Pendragon Sewer  
Lift Station

Pendragon Rd

Netherland Inn Rd

Netherland Inn Rd

Netherland Inn Rd

Netherland Inn Rd

Google Earth

Item X14.

800 ft







**AGENDA ACTION FORM**

**Consideration of a Resolution to Approve the Purchase of Property Located at 263 Bays Mountain Park Road**

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

Action Form No.: AF-349-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: R. Trent, M. Krager  
Presentation By: Michael T. Borders

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

If approved the City will enter into a purchase agreement for \$315,000 for a 38.68-acre property located at 263 Bays Mountain Park Road for Bays Mountain Park.

Park staff have been in contact with the Gibbs family for over two decades regarding the acquisition of their property. The heirs of Elbert and Glenda Gibbs have now expressed an interest in selling the property to the City of Kingsport to become part of Bays Mountain Park.

The property features significant natural assets including sections of Laural Run Creek and a wide waterfall larger than Laurel Run Falls. If acquired this would be the fifth waterfall at Bays Mountain Park. The property also provides access to western portions of the park that we currently rely on permission from private landowners for vehicle access. The residence on the property will be removed and the garage structure will be utilized by park staff.

Bays Mountain is designated as a Class I Natural Area under the Tennessee Natural Areas Preservation Act of 1971. The park’s mission is to, “preserve its natural and cultural resources while offering high-quality educational and recreational opportunities”. Acquisition of the property completes the parks efforts to fully protect the natural areas of the Laurel Run Watershed. The acquisition of the property aligns with the Natural Areas program along with all aspects of the park’s mission.

An appraisal of the property was prepared in accordance with the City of Kingsport’s Real Property Acquisition Policies & Procedures. The appraisal estimated the value of the property to be \$315,000.00. A copy of the Purchase Agreement is contained in the resolution.

\$105,000 of the funding is provided by the Bays Mountain Park Commission and \$210,000 funded under the BMP Property Purchase project (GP2508).

**Attachments:**

- 1. Resolution
- 2. Supplemental Information

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X15.

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

A RESOLUTION APPROVING AN OFFER FOR THE PURCHASE OF REAL PROPERTY FOR EXPANSION OF BAYS MOUNTAIN PARK; AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, Kerry Deal and Karla Deal, heirs of Elbert and Glenda Gibbs, the current owners of the 38.68 acre tract of property located at 263 Bays Mountain Road (Tax Parcel No.: 057 072.00), contacted the city to express an interest in selling the property to the city for the expansion of Bays Mountain Park; and

WHEREAS, the city caused an appraisal of the property to be performed which estimated the value of the property at \$315,000.00; and

WHEREAS, the owners of the property have accepted the city's offer of \$315,000.00; and

WHEREAS, funding for the acquisition in the amount of \$105,000.00 will be provided by the Bays Mountain Park Commission and the remaining \$210,000.00 will be funded through the BMP Property Purchase project (GP2508).

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. Upon consideration of the fair market value of the property and other pertinent factors, an offer of \$315,000.00 is approved for the purchase of 263 Bays Mountain Road, subject to such conditions as set out in the Agreement of Sale set out below for the expansion of Bays Mountain Park.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an Agreement of Sale for property identified as 263 Bays Mountain Road, 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:

**AGREEMENT**

**THIS PURCHASE AGREEMENT** (herein "Agreement") made and entered into on the date of the notary acknowledgment of the Sellers's signatures between **KERRY DEAL and KARLA DEAL**, (hereinafter referred to as the "Sellers"), and **THE CITY OF KINGSPORT, TENNESSEE**, a municipality organized under the laws of the State of Tennessee (hereinafter referred to as the "Buyer").

**WITNESSETH:**

**FOR AND IN CONSIDERATION** of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, including specifically, without limitation, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

**1. SALE.** Sellers agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase, acquire and take from Sellers, subject to the terms and conditions of this Agreement that

real property situate, lying and located at 263 Bays Mountain Road Drive, Kingsport, Tennessee and being further identified as tax map 057, parcel 072.00, more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all improvements and fixtures situated thereon, if any, and also together with all hereditaments and appurtenances thereunto belonging or in any way appertaining (the "Real Property").

**2. PURCHASE PRICE.**

(a) Amount. The purchase price to be paid by Buyer to Sellers for the Real Property shall be Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00)

(b) Terms of Payment. Subject to the adjustment provided for herein the Purchase Price, less the prorated property taxes as of the date of closing, shall be paid by Buyer to Sellers in cash or certified funds payable to Sellers on the Closing Date.

**3. CLOSING.** The closing shall occur on or before April 1, 2025, (the "Closing Date"), at a time and location mutually agreed upon by the parties or, upon failure of the parties to agree, at a time and place specified by the Buyer (the "Closing"). Buyer and Sellers agree to deliver and execute such other documents as may be reasonable and necessary in the opinion of counsel for Sellers and Buyer to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions hereof.

**4. SURVEY.** Immediately upon the execution of this Agreement, Buyer shall, at Buyer's cost, cause a survey and surveyor's certificate, in form sufficient to remove the survey exception from the title insurance binder as more specifically provided in Section 5 hereof, to be prepared on the Real Property by a licensed surveyor acceptable to Buyer. The survey shall be made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title surveys for a Class A survey. Such survey shall show the total area of the Real Property in square feet, easements, if any, location of adjoining streets and rights of way, building setback lines, and such other details as may be required by Buyer. Once prepared, the survey description will replace Exhibit A and will become a part of this Agreement identified as Exhibit A-1, and such survey description shall be insurable (and shall be insured) by the title insurance company. If the survey (i) is for good cause not acceptable to Buyer's title insurance company; or (ii) shows the dimensions of the Real Property to be other than as set forth on Exhibit A; or (iii) shows any materially adverse conditions or matters affecting the Real Property which are not approved by Buyer, then Buyer, within twenty (20) days from receipt of such survey, shall notify Sellers in writing of Buyer's objections to the survey and Sellers shall thereupon have twenty (20) days to remove or cure such objections to the satisfaction of the Buyer and the title company. If Sellers fail to satisfy such objections with the time specified, Buyer shall have the right to (i) terminate this Agreement; (ii) extend the time period for removing or curing any objectionable item by written notice to Sellers or (iii) close this purchase and sale without reduction in the Purchase Price.

**5. TITLE INSURANCE.** Buyer, at its expense, shall secure an owner's title insurance commitment to issue a title insurance policy insuring Buyer's fee simple interest in the Real Property to the extent of the Purchase Price. The title insurance commitment will be issued by a reputable title insurance company chosen by Buyer and will contain exceptions only for real estate taxes and assessments for the current year which are not yet due and payable, and any other exceptions Buyer may approve in writing. If the commitment contains other exceptions, not acceptable to Buyer, then Buyer shall so notify Sellers of such exceptions within twenty (20) days of Buyer's receipt of the commitment, and Sellers shall have twenty (20) days from receipt of the Buyer's objections, to resolve such exceptions to the satisfaction of the Buyer. If Sellers are unable to cure or resolve such exceptions to Buyer's satisfaction within the time specified, Buyer shall have the right to terminate this Agreement, extend the cure period, or proceed to close this Agreement. In the event Buyer elects to terminate this Agreement pursuant to this Section 5, then this Agreement shall be cancelled and thereafter neither Sellers nor Buyer shall have any continuing obligation to each other under this Agreement.

**6. DEED AND TITLE.**

(a) Sellers hereby agree to convey to Buyer a good and marketable fee simple title to the Real Property, without exceptions, except as expressly provided herein, by a good and valid general warranty deed, in statutory form, suitable for recordation. Title to the Real Property shall not be subject to any easements, encumbrances or other exceptions which Buyer, in its sole discretion, deems unacceptable.

(b) In the event, as of the Closing Date, Sellers are unable to convey marketable title to the Real Property due to defects in Seller's title, or Sellers are unable to convey title due to exceptions Buyer finds unacceptable, then Closing shall be postponed for a reasonable period of time not to exceed 30 days until Sellers shall remove said title defects or exceptions. If Sellers is unable to cure such title defects or exceptions within said 30 days, this Agreement shall be null and void and there shall



be no further obligations between the parties. If Buyer shall waive such title defects or exceptions by so notifying the Sellers in writing, or if Sellers shall have cured such defects or exceptions, as provided herein, the obligations of the parties hereunder shall not be affected by reason thereof, there shall be no abatement or reduction of the Purchase Price, and this transaction shall be consummated in accordance with the terms and provisions of this Agreement, except that such title defects or exceptions that are waived by Buyer, if any, shall be set forth as exceptions in the deed.

**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.

**8. CONDITION OF PROPERTY.** There has been no storage, disposal, treatment or release of hazardous substances during the period of Sellers's ownership, and to the best of Sellers' knowledge, the Real Property has not been used, and is not presently being used, and will not through the Closing Date, be used for the storage or disposal of hazardous substances. (The term "hazardous substances" 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.) Sellers are not aware of any facts, conditions or circumstances indicating any form of environmental contamination affecting any properties which are adjacent to the Real Property. There are no encumbrances, liens, or charges of any kind upon the Real Property that will not be satisfied and discharged in full by Sellers and released at or before Closing in a form satisfactory to Buyer. There are no contracts, agreements, or arrangements relating to the use and operation of the Real Property not disclosed herein. Sellers represent that there is no pending or threatened litigation that does or will materially and adversely affect the Real Property or its value.

**9. CONDITIONS PRECEDENT.**

Buyer's obligations pursuant to this Agreement are contingent upon and subject to the satisfaction, as of Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by the Buyer at, or prior to Closing):

(1) The results of the title examination report and title insurance commitment described in Section 5 shall be acceptable to Buyer in its sole discretion as of Closing. There shall be no change in the matters reflected in the title insurance commitment described in Section 5 hereof, and there shall not exist any encumbrances or title defects affecting the Real Property not described in such title insurance commitment.

(2) All of the representations, warranties and conditions of Sellers set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing Date, and Sellers shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Sellers's part required by the terms of this Agreement.

(3) There shall be no change in the matters reflected in the survey described in Section 4 hereof, and there shall not exist any easement, right of way, encroachment, conflict, or a protrusion with respect to the Real Property not shown on the survey.

If any condition specified in this Section 8 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, Buyer may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to Sellers, this

Agreement shall be cancelled and thereafter neither Sellers nor Buyer shall have any continuing obligation to each other under this Agreement. It shall be the right of the Buyer at its sole discretion and upon written notice to the Sellers to terminate this Agreement at any time prior to the closing of the property if it shall deem the property not suitable for its needs, and upon such termination, this Agreement shall be cancelled and thereafter neither Sellers nor Buyer shall have any continuing obligation to each other under this Agreement.

**10. NOTICE.** Any notice or demand on either party hereunder shall be deemed to have been given when mailed to the other party by Certified Mail, Return Receipt Requested, postage prepaid at the addresses set forth below:

<b>SELLERS:</b>	Kerry Deal & Karla Deal	<b>BUYER:</b>	City of Kingsport, Tennessee
	P. O. Box 124		415 Broad Street
	Hinton, WV 25951		Kingsport, TN 37660

**11. PRORATIONS.** All real estate taxes and assessments shall be prorated as of the Closing Date, using for such purpose the rate and valuation shown on the latest available tax notice.

**12. EXPENSES OF SELLERS.** In closing this transaction, Sellers shall be charged with the following:

- (a) The cost of preparation of the warranty deed;
- (b) The fees and expenses of any attorney or other advisor engaged by Sellers in connection with this transaction;
- (c) The commission or fees charged by any real estate broker or agent retained or used by the Sellers in connection with this transaction; and
- (d) All expenses incurred in connection with the release of any prior existing indebtedness, including without limitation any prepayment penalties; and
- (e) Prorated taxes.

**13. EXPENSES OF BUYER.** In closing this transaction, Buyer shall be charged with the following:

- (a) The cost of any title search and title insurance policy;
- (b) The cost of recording the deed and any transfer tax associated with such deed;
- (c) Any fees charged in connection with any attorney or other advisor engaged by Buyer in connection with this transaction; and
- (d) The cost of the survey provided pursuant to Section 4.

**14. RISK OF LOSS.** The risk of loss or damage to any of the Real Property described above by fire, vandalism, or other casualty shall remain with the Sellers until Closing. In the event of such loss before Closing, this Agreement shall be voidable at the option of Buyer. Should Buyer elect to continue with the purchase following such loss or damage before Closing, Buyer shall have the option to (a) negotiate an equitable reduction in the Purchase Price or (b) close this Agreement at the stated Purchase Price and accept all insurance funds and other monies payable to Sellers regarding such loss or damage. If action is necessary to recover under any casualty policy, Sellers shall cooperate with Buyer in bringing such action in Sellers's name and Sellers shall reimburse Buyer for the attorney's fees and other expenses incurred by Buyer to pursue such claim.

**15. TIME IS OF THE ESSENCE.** Time is of the essence to the performance of this Agreement.

**16. MERGER CLAUSE.** All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, "setups", representation, or information, not embodied in this Agreement, made by the other, or by any agent, employee, servant, or other person representing or purporting to represent the Sellers. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein.

**17. POSSESSION.** Delivery of possession of the Real Property shall occur at Closing.

**18. CAPTIONS.** The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

**19. ENTIRE AGREEMENT; MODIFICATIONS.** This written Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Real Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

**20. CONTROLLING LAW; VENUE.** This Agreement has been made and entered into under the laws of the State of Tennessee, and said laws shall control the interpretation thereof. Venue for any litigation concerning this Agreement shall be filed in the state or federal courts for Sullivan County,

Tennessee.

**21. BINDING EFFECT.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**22. FURTHER ACTS.** Each party hereto agrees to do, execute, acknowledge and deliver all such further acts, assignments, transfers, assurances and instruments that may reasonably be required to fully effectuate the transactions contemplated in this Agreement.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands in duplicate originals the day and year first written above.

[Acknowledgements Deleted for Inclusion in this Resolution]

**EXHIBIT A**

Description of Real Property

BEGINNING at an iron pin at the gravel county road, corner to A. L. Isley; thence with Isley's line N. 1 deg. 35 min. 59 sec. W. 208.16 feet to a poplar tree; thence S. 50 deg. 58 min. 21 sec. W. 59.75 feet to an iron pin in the center of Laurel Run Creek; thence with said creek N. 10 deg. 49 min. 07 sec. W. 567.98 feet to an iron pin set in the middle of the creek; thence N. 67 deg. 15 min. 11 sec. W. 296.74 feet to an iron pin; thence N. 0 deg. 01 min. 23 sec. E. 230.16 feet to a hemlock; thence 3 deg. 40 min. 11 sec. W. 262.56 feet to an iron pin; thence N. 89 deg. 24 min. 16 sec. W. 212.94 feet to an iron pin; thence S. 71 deg. 02 min. 00 sec. W. 90.00 feet to an iron pin, corner to Robert Arney; thence with Arney's line N. 54 deg. 45 min. 00 sec. E. 345.87 feet to an iron pin; thence N. 20 deg. 00 min. 00 sec. E. 293 feet to an iron pin; thence N. 5 deg. 00 min. 00 sec. E. 200 feet to a rock at mouth of creek; thence along Coiner Branch N. 56 deg. 25 min. 20' E. 529.70 feet to a planted rock; corner to A. S. Simpson; thence along the Simpson line S. 34 deg. 47 min. 33 sec. E. 1319.42 feet to a white oak; thence S. 33 deg. 23 min. 25 sec. W. 970.75 feet to a planted rock; thence S. 31 deg. 25 min. 34 sec. W. 416.85 feet to an iron pin at the county gravel road; thence along said road S. 74 deg. 59 min. 00 sec. W. 38.80 feet to the point of BEGINNING, containing 38.678 acres, more or less, according to survey of Joe A. Hale, dated May 2, 1979.

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

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

SECTION V. That this resolution shall take effect immediately upon its adoption, the public welfare requiring it.

ADOPTED this the 17<sup>th</sup> day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_

RODNEY B. ROWLETT, III, CITY ATTORNEY

## **Project**

## **Summary**

Several months ago, Bays Mountain Park was approached about purchasing a 38.68-acre property in the eastern section of Hawkins County, located at the far western end of Bays Mountain Park. This property, previously owned by the Gibbs family, represents a critical addition to the park's efforts to preserve the Laurel Run Watershed. Attachment 1 provides a map of the proposed property location.

For over 20 years, the park sought to acquire the Gibbs property, and the family has now expressed interest in selling it to the City of Kingsport. This acquisition would complete the park's efforts to fully protect the Laurel Run Watershed, which flows through Bays Mountain Park, Laurel Run Park, and ultimately into the Holston River.

The property features significant natural assets, including sections of Laurel Run Creek and a wide waterfall larger than the well-known Laurel Run Falls along the Laurel Run Trail. If acquired, this would add a fifth waterfall to Bays Mountain Park and expand opportunities for guided waterfall hikes, a popular spring activity.

Access challenges in the park's western portion make this acquisition strategically important. Currently, park staff must rely on permission from private landowners for vehicle access to upper trails such as Laurel Run Trail and Kiner Hollow. The Gibbs property would provide direct vehicle access from Bays Mountain Road, enabling quicker response times for rescues and more efficient perimeter monitoring.

Future plans for the property include the development of new trails and backcountry camping areas, which would complement the park's existing 40 miles of trails and enhance recreational offerings.

Bays Mountain Park is designated a Class I Natural Area under the Tennessee Natural Areas Preservation Act of 1971 and is managed by the City of Kingsport with support from the Tennessee Natural Areas Program. The park's mission is to preserve its natural and cultural resources while offering high-quality educational and recreational opportunities. Daily maintenance and operation of the property will be funded through the park's yearly budget.

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## **Project Evaluation Criteria**

### **1. Core Criteria**

The mission of Bays Mountain Park aligns closely with the Tennessee Heritage Conservation Trust Fund's (THCTF) purpose of permanently conserving and preserving land. This project would protect the Laurel Run Watershed, a critical natural resource with scenic, scientific, and recreational value.

Without intervention, the property is at risk of habitat destruction, refuse dumping, commercialization, and off-road vehicle use. The acquisition would ensure the preservation of the waterfall, creek, and surrounding habitats while expanding recreational opportunities.

The Gibbs property would enhance tourism and recreation, which are vital to the economies of Hawkins and Sullivan Counties. The property's proximity to Laurel Run Park and Bays Mountain Park creates a natural synergy for promoting outdoor activities such as hiking, biking, fishing, and educational programming.

Education is a cornerstone of the park's mission. Over 10,000 students from surrounding states participate annually in the park's educational programs. The Gibbs property could host new programs, including scientific research, TN Naturalist programs, and Bio Blitz events, fostering stewardship of natural resources.

## **2. Importance**

The Gibbs property represents the final piece needed to preserve the entire Laurel Run Watershed, a tributary of the Holston River. Ownership would enable scientific research, habitat management, and educational opportunities in partnership with institutions such as East Tennessee State University and Lincoln Memorial University.

The property's biodiversity includes potential habitats for threatened or endangered species, such as Mountain Canby's and American ginseng. If acquired, the park plans to conduct comprehensive surveys to identify and protect sensitive habitats.

## **3. Threatened**

The property is at risk due to the passing of its original owner. The next-of-kin has reached out to the park, offering a unique opportunity to secure the land. If acquired, the property would be permanently protected by the City of Kingsport.

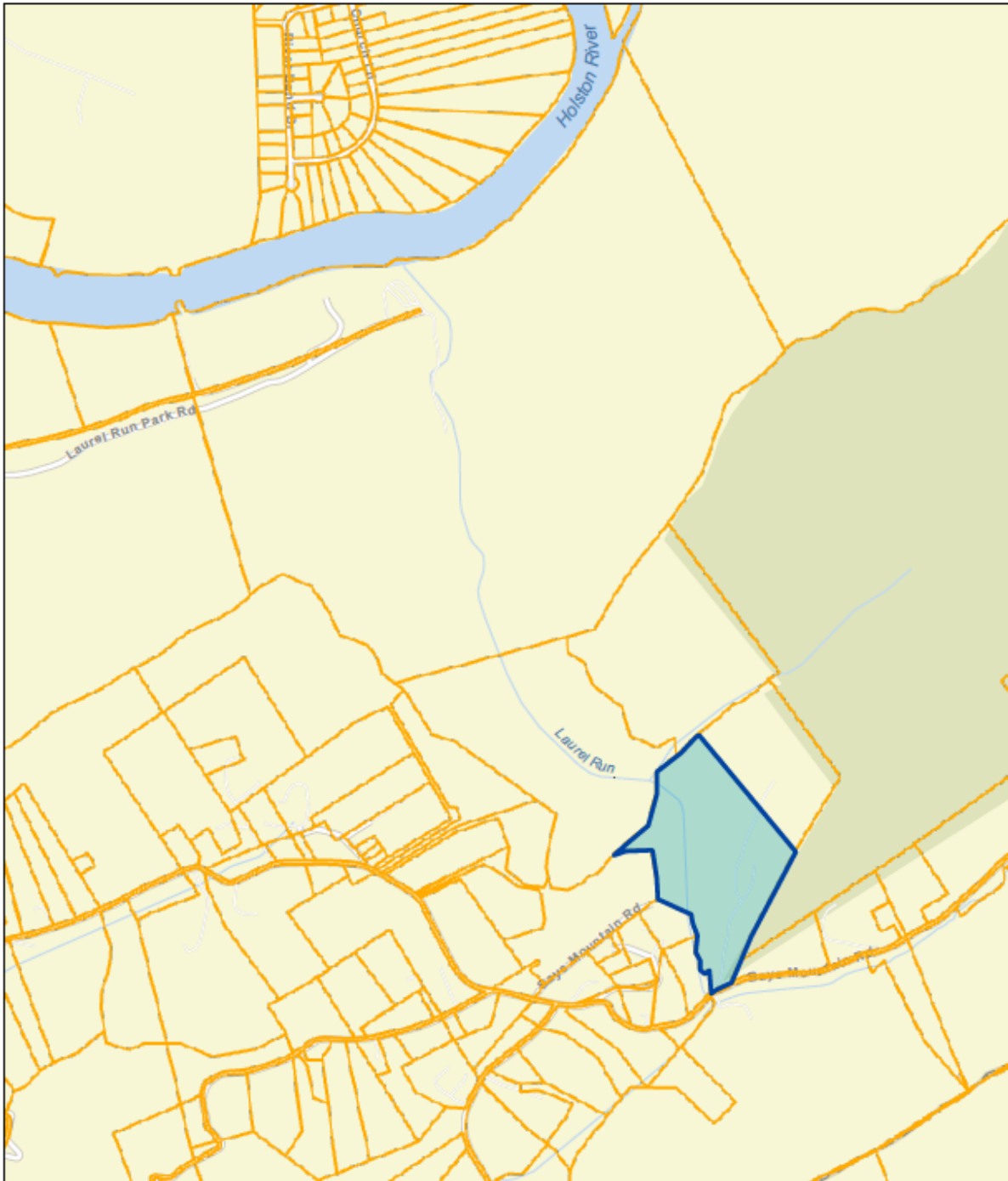
## **4. Strategic**

Bays Mountain Park currently spans 3,750 acres across Hawkins and Sullivan Counties, making it the largest city-owned park in Tennessee. The Gibbs property shares two borders with the park and would fill a critical gap, enhancing park connectivity and providing strategic access points.

Additionally, the acquisition would position the park to negotiate with neighboring landowners about conservation easements or future acquisitions, further expanding the park's protected footprint.

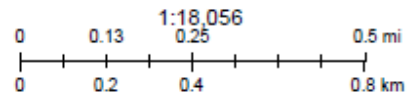
Preserving this property would protect vital ridges and valleys, combat urban sprawl, and safeguard wildlife habitats, ensuring long-term conservation for future generations.

# Hawkins County - Parcel: 057 072.00



Date: December 4, 2024

County: Hawkins  
Owner: GIBBS ELBERT A & GLENDA D  
Address: BAYS MOUNTAIN RD 263  
Parcel Number: 057 072.00  
Deeded Acreage: 38.68  
Calculated Acreage: 0  
Date of TDOT Imagery: 2019  
Date of Vexcel Imagery: 2023

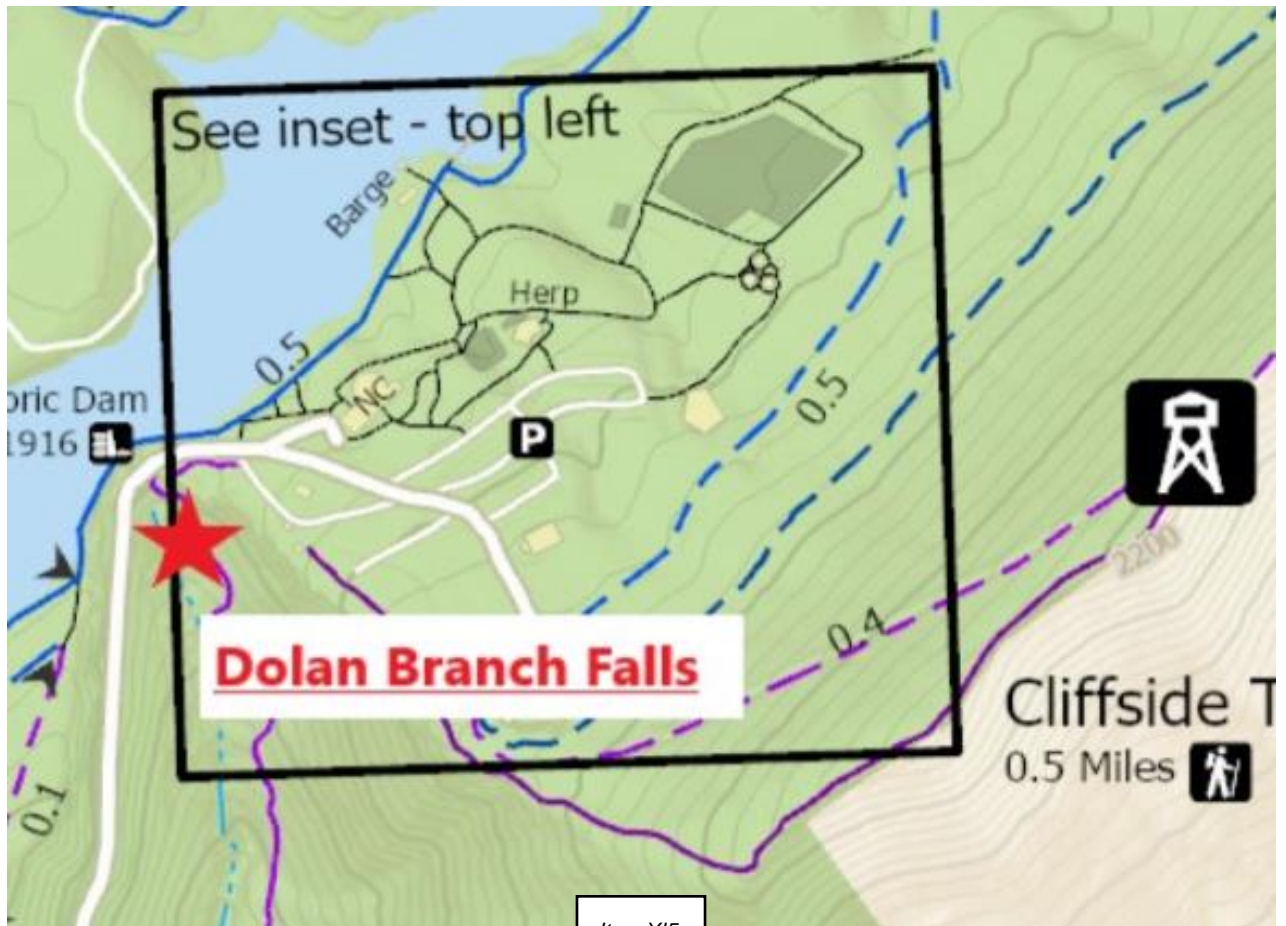
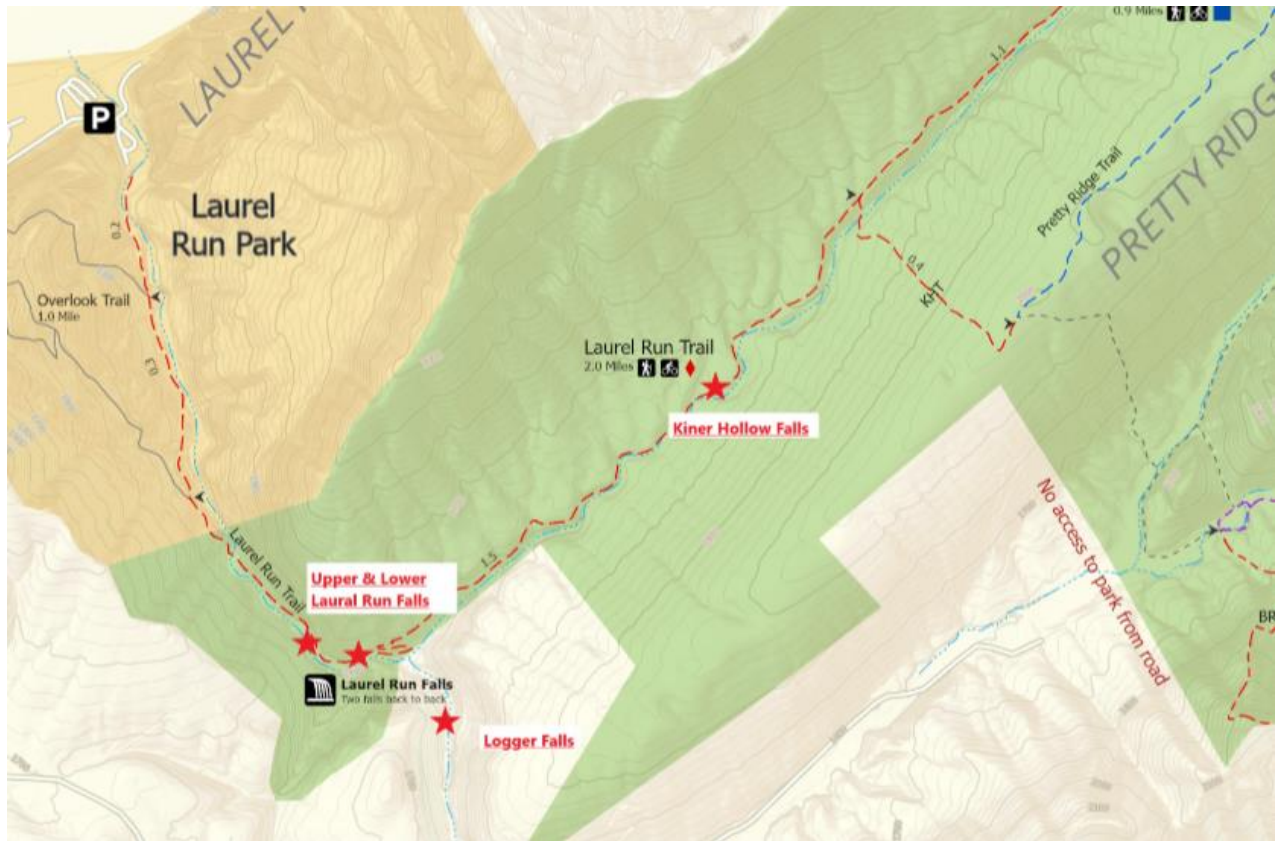


State of Tennessee, Comptroller of the Treasury, Division of Property Assessments (DPA). Esri Community Maps Contributors, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METYNASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

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



**Bays Mountain Waterfalls**



Logger's Falls





**AGENDA ACTION FORM**

**Consideration of a Resolution for Bays Mountain Park to apply for the Tennessee Heritage Conservation Trust Fund Grant**

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

Action Form No.: AF-350-2024  
Work Session: Dec. 16, 2024  
First Reading: Dec. 17, 2024  
Final Adoption: Dec. 17, 2024  
Staff Work By: Megan Krager  
Presentation By: Michael T. Boarders

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

If approved the City will apply for a Tennessee Heritage Conservation Trust Fund (HCTF) Grant through the Tennessee Department of Environment and Conservation in the amount of \$105,000 for the purpose of acquiring 38.68 acres of land adjacent to the west end of Bays Mountain Park (BMP).

HCTF was established to assist the state in permanently conserving and preserving tracts of land within the State of Tennessee for the purposes of promoting tourism and recreation. Projects that leverage additional funds and partnerships receive greater consideration for funding. In FY23 HCTF expended \$1.2m dollars on grants.

HCTF allows funding for pre-acquired parcels, grant funded acquisition (HCTF conducts acquisition), and reimbursement acquisitions. The City will be pursuing a reimbursement acquisition. The application is requesting that HCTF reimburse the City for a third of the cost of land acquisition with the Bays Mountain Park Commission providing a third and other funds providing a third for a total of \$315,000.

The grant application is due December 20, 2024. HCTF is meeting to consider awards on January 14, 2025. We expect award notifications shortly after HCTF's meeting.

**Attachments:**

- 1. Resolution
- 2. Grant Application

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X16.

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

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A TENNESSEE HERITAGE CONSERVATION TRUST FUND GRANT FOR BAYS MOUNTAIN PARK

WHEREAS, the city, through Bays Mountain Park, would like to apply for a Tennessee Heritage Conservation Trust Fund (HCTF) Grant through the Tennessee Department of Environment and Conservation to assist in acquiring 38.68 acres of land adjacent to the west end of Bays Mountain Park; and

WHEREAS, HCTF was established to assist the state in permanently conserving and preserving tracts of land within the State of Tennessee for the purpose of promoting tourism and recreation; and

WHEREAS, the city will be utilizing the reimbursement acquisition part of the Tennessee Heritage Conservation Trust Fund (HCTF) Grant and is requesting that HCTF reimburse the city for a third of the cost of land acquisition with the Bays Mountain Park Commission providing a third and other funds providing a third for a total of \$315,000 for the purchase of 38.68 acres for Bays Mountain Park; and

WHEREAS, the maximum amount of the grant award being \$105,000.00;

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for and receive grant funds from the Tennessee Heritage Conservation Trust Fund (HCTF) Grant through the Tennessee Department of Environment and Conservation to assist in acquiring 38.68 acres of land adjacent to the west end of Bays Mountain Park in an amount not to exceed \$105,000.00.

SECTION II. That the mayor is authorized to execute any and all documents including those necessary and proper to demonstrate the city's compliance with the grant requirements or its provisions necessary to effectuate the purpose of the grant or this resolution.

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

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

ADOPTED this the 17th day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

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ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

---

RODNEY B. ROWLETT, III, City Attorney





STATE OF TENNESSEE  
Department of Environment and Conservation  
Tennessee State Parks  
William R. Snodgrass TN Tower  
312 Rosa L. Parks Ave. 2nd Floor, Nashville, TN 37243  
TENNESSEE HERITAGE CONSERVATION TRUST FUND  
APPLICATION

This page **MUST** be completed for all applications.

Project Title: Gibbs Property Purchase by The City of Kingsport (Bays Mountain Park)

County: Hawkins City: Rogersville

Current Owners: Glenda and Elbert Gibbs Acres: 38.68

Proposed Management: City of Kingsport/Bays Mtn. Park

Has the proposed management agency been contacted?\*  Yes  No

*\*Signature of proposed managing agency required below.*

Amount Requested \$105,000

Applicant Organization: Bays Mountain Park & Planetarium

Contact Name: Megan Krager

NOTE: The contact name should be the project manager/authorized representative. Only one project manager acts as the point of contact.

Address: 853 Bays Mtn. Park Rd, Kingsport, TN 37660

Phone #: 423-229-9447

Fax #: 423-224-2589

E-Mail: megankrager@kingsportnt.gov

Signature: \_\_\_\_\_  
Applicant Contact

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

Signature: \_\_\_\_\_  
Director, Commissioner, Department Head of Managing Agency

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

1. Application Date Dec. 20, 2024

2. Applicant Information

Primary Applicant Bays Mountain Park, City of Kingsport

Contact Name/Title Megan Krager Park Manager

Address 853 Bays Mtn. Park Rd

Phone 423-229-9447 Fax E-mail megankrager@kingsporttn.gov

- Non-Profit Land/Water Conservation Organization  Municipality/County Government  
 Other Non-Governmental Organization  State of Tennessee Agency

Organization/State Agency Name

Secondary Applicant  
(if applicable)

Contact Name/Title

Address

Phone Fax E-mail

- Non-Profit Land/Water Conservation Organization  Municipality/County Government  
 Other Non-Governmental Organization  State of Tennessee Agency

Organization/State Agency Name

3. Project Classification

Is the project available for immediate acquisition?  Yes  No

How would you classify the risk of loss?  High  Medium  Low

Briefly Explain risk of loss (Maximum of 50 words)

Failure to acquire the Gibbs property risks habitat destruction, watershed degradation, and loss of a key section of the Laurel Run Watershed. This would limit conservation efforts, recreational opportunities, and educational programming, while perpetuating access challenges for park operations and rescue efforts, undermining Bays Mountain Park's mission of long-term preservation.



3. Project Classification (cont.)

Is land owner a willing seller?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	<input checked="" type="checkbox"/> If yes - Applicant has contacted seller	

4. Project Summary

Project Title/Name	Gibbs Property Purchase by The City of Kingsport (Bays Mountain Park)
Project Site Location	County <u>Hawkins</u> Municipality _____
Brief Project Summary (200 words or less)	<p>The City of Kingsport has the opportunity to acquire the 38.68-acre Gibbs property at the western edge of Bays Mountain Park in Hawkins County. This acquisition would complete the preservation of the Laurel Run Watershed, a critical tributary of the Holston River, and safeguard its scenic, ecological, and recreational value. The property features sections of Laurel Run Creek and a wide waterfall. Adding a fifth and larger waterfall to the park and expanding opportunities for guided hikes and recreation.</p> <p>There is no vehicle access at the western end of Bays Mountain Park. This does not allow for access in the event of a rescue or other emergency.</p>
Directions (for best access)	863 Bays Mtn Rd, Rogersville TN 37857
Existing Habitat	Mesic Hardwood Forest
Sensitive Lands Conditions	One of the last large, wooded parcels of the Laurel Run Watershed.
Total Acreage Amount (identified on plans, maps)	38.68 acres; plat map attached
Current Owner(s) Name	Glenda and Elbert Gibbs; Wife passed and Next-to-kin is daughter Kerry Deal
Current Address	263 Bays Mtn. Road, Rogersville, TN 37857
Current Phone	_____
Estimated Market or Tax Value \$	\$315,000

5. Project Budget/Funding

Estimated Project Costs

Enter an amount on each line and round to the nearest hundred.

a. Land purchase price (estimated or actual)	\$315,000
b. Acquisition costs (estimated or actual) Cost of certified survey(s), appraisal(s), appraisal review(s), title report(s), title insurance premium(s), environmental audit(s) and applicant's acquisition agent(s) fees or commission	\$600
c. Total Project Costs [Add a. and b.]	

Proposed Project Funding

a. THCTF grant award amount	\$105,000
b. Other funding sources	\$210,000
c. Total Project Costs (Add a. and b.)	\$315,000

Source of Other Funds (if joint)

<input type="checkbox"/> Trust	<input type="checkbox"/> Endowment	<input type="checkbox"/> Federal Appropriation
<input type="checkbox"/> Grants	<input type="checkbox"/> Private Business	<input type="checkbox"/> Foundation
<input type="checkbox"/> Bonds	<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Other

Tax Parcel(s) Number(s) (County Map) 072.00

Type of Acquisition

<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Donation
<input type="checkbox"/> Conservation Easement	<input type="checkbox"/> Combination

5a. Pre-Acquired Parcels

The entire project site or a portion of the site has been pre-acquired by the applicant through a voluntarily-negotiated transactions within 24 months prior to the application deadline. Please identify the previous owner's name(s), parcel tax identification number(s), and the closing date(s) of each pre-acquired parcel. NOTE: Funding is not guaranteed until official notification. All acquisitions prior to official notification are at the risk of the applicant.

(Boundary maps should clearly identify these parcels.)

Owner's Name	Parcel Tax ID Numbers	Date of Closing
_____	_____	_____
_____	_____	_____
_____	_____	_____

The use of condemnation or the threat of condemnation is not considered a voluntarily-negotiated transaction and parcels acquired under these conditions do not qualify for acquisition or reimbursement under this program.

**5b. Grant Funded Acquisition - (THCTF conducts the entire acquisition)**

The entire project site will be acquired by the THCTFBD (or a joint venture) through a voluntarily-negotiated transaction. Identify the current owner's name(s), parcel tax identification number(s), for each parcel.  
 NOTE: Funding is not guaranteed until official notification.

(Boundary maps should clearly identify these parcels.)

Priority	Owner's Name	Parcel Tax ID Numbers	Owner's Address	Phone
1				
2				
3				
4				

The use of condemnation or the threat of condemnation is not considered a voluntarily-negotiated transaction and parcels acquired under these conditions do not qualify for acquisition or reimbursement under this program.

**5c. Reimbursement Acquisition - Parcels to Be Acquired**

(Applicant conducts the entire acquisition and is reimbursed by THCTF after the acquisition is completed)  
 NOTE: Funding is not guaranteed, until official notification. Any acquisition prior to official approval is at the risk of the applicant.

The entire project site or the remaining un-acquired parcel(s) in the site will be acquired by the applicant through a voluntarily-negotiated transaction. If so, provide the owner's name(s), parcel tax identification number(s), and the anticipated closing date(s) of each parcel.

Owner's Name	Parcel Tax ID Number	Date of Closing
Glenda & Elbert Gibbs	072.00	

The use of condemnation or the threat of condemnation is not considered a voluntarily-negotiated transaction and parcels acquired under these conditions do not qualify for acquisition or reimbursement under this program.

**6. Land Management**

Who will be responsible for managing/monitoring the site?

State   Joint  Local Government

Identify Joint Partner City of Kingsport/Bays Mtn. Park

Applicant has contacted state agency and discussed management opportunities.  Yes  No



STATE OF TENNESSEE  
Department of Environment and Conservation  
Tennessee State Parks  
William R. Snodgrass TN Tower  
312 Rosa L. Parks Ave. 2nd Floor, Nashville, TN 37243  
TENNESSEE HERITAGE CONSERVATION TRUST FUND  
APPLICATION

This page **MUST** be completed for all applications.

Project Title: Gibbs Property Purchase by The City of Kingsport (Bays Mountain Park)

County: Hawkins City: Rogersville

Current Owners: Glenda and Elbert Gibbs Acres: 38.68

Proposed Management: City of Kingsport/Bays Mtn. Park

Has the proposed management agency been contacted?\*  Yes  No

*\*Signature of proposed managing agency required below.*

Amount Requested \$105,000

Applicant Organization: Bays Mountain Park & Planetarium

Contact Name: Megan Krager

NOTE: The contact name should be the project manager/authorized representative. Only one project manager acts as the point of contact.

Address: 853 Bays Mtn. Park Rd, Kingsport, TN 37660

Phone #: 423-229-9447

Fax #: 423-224-2589

E-Mail: megankrager@kingsportnt.gov

Signature: \_\_\_\_\_  
Applicant Contact

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

Signature: \_\_\_\_\_  
Director, Commissioner, Department Head of Managing Agency

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

1. Application Date Dec. 20, 2024

2. Applicant Information

Primary Applicant Bays Mountain Park, City of Kingsport

Contact Name/Title Megan Krager Park Manager

Address 853 Bays Mtn. Park Rd

Phone 423-229-9447 Fax E-mail megankrager@kingsporttn.gov

- Non-Profit Land/Water Conservation Organization  Municipality/County Government  
 Other Non-Governmental Organization  State of Tennessee Agency

Organization/State Agency Name

Secondary Applicant  
(if applicable)

Contact Name/Title

Address

Phone Fax E-mail

- Non-Profit Land/Water Conservation Organization  Municipality/County Government  
 Other Non-Governmental Organization  State of Tennessee Agency

Organization/State Agency Name

3. Project Classification

Is the project available for immediate acquisition?  Yes  No

How would you classify the risk of loss?  High  Medium  Low

Briefly Explain risk of loss (Maximum of 50 words)

Failure to acquire the Gibbs property risks habitat destruction, watershed degradation, and loss of a key section of the Laurel Run Watershed. This would limit conservation efforts, recreational opportunities, and educational programming, while perpetuating access challenges for park operations and rescue efforts, undermining Bays Mountain Park's mission of long-term preservation.

3. Project Classification (cont.)

Is land owner a willing seller?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	<input checked="" type="checkbox"/> If yes - Applicant has contacted seller	

4. Project Summary

Project Title/Name	Gibbs Property Purchase by The City of Kingsport (Bays Mountain Park)
Project Site Location	County <u>Hawkins</u> Municipality _____
Brief Project Summary (200 words or less)	<p>The City of Kingsport has the opportunity to acquire the 38.68-acre Gibbs property at the western edge of Bays Mountain Park in Hawkins County. This acquisition would complete the preservation of the Laurel Run Watershed, a critical tributary of the Holston River, and safeguard its scenic, ecological, and recreational value. The property features sections of Laurel Run Creek and a wide waterfall. Adding a fifth and larger waterfall to the park and expanding opportunities for guided hikes and recreation.</p> <p>There is no vehicle access at the western end of Bays Mountain Park. This does not allow for access in the event of a rescue or other emergency.</p>
Directions (for best access)	863 Bays Mtn Rd, Rogersville TN 37857
Existing Habitat	Mesic Hardwood Forest
Sensitive Lands Conditions	One of the last large, wooded parcels of the Laurel Run Watershed.
Total Acreage Amount (identified on plans, maps)	38.68 acres; plat map attached
Current Owner(s) Name	Glenda and Elbert Gibbs; Wife passed and Next-to-kin is daughter Kerry Deal
Current Address	263 Bays Mtn. Road, Rogersville, TN 37857
Current Phone	_____
Estimated Market or Tax Value \$	\$315,000

5. Project Budget/Funding

Estimated Project Costs

Enter an amount on each line and round to the nearest hundred.

a. Land purchase price (estimated or actual)	\$315,000
b. Acquisition costs (estimated or actual) Cost of certified survey(s), appraisal(s), appraisal review(s), title report(s), title insurance premium(s), environmental audit(s) and applicant's acquisition agent(s) fees or commission	\$600
c. Total Project Costs [Add a. and b.]	

Proposed Project Funding

a. THCTF grant award amount	\$105,000
b. Other funding sources	\$210,000
c. Total Project Costs (Add a. and b.)	\$315,000

Source of Other Funds (if joint)

<input type="checkbox"/> Trust	<input type="checkbox"/> Endowment	<input type="checkbox"/> Federal Appropriation
<input type="checkbox"/> Grants	<input type="checkbox"/> Private Business	<input type="checkbox"/> Foundation
<input type="checkbox"/> Bonds	<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Other

Tax Parcel(s) Number(s) (County Map) 072.00

Type of Acquisition

<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Donation
<input type="checkbox"/> Conservation Easement	<input type="checkbox"/> Combination

5a. Pre-Acquired Parcels

The entire project site or a portion of the site has been pre-acquired by the applicant through a voluntarily-negotiated transactions within 24 months prior to the application deadline. Please identify the previous owner's name(s), parcel tax identification number(s), and the closing date(s) of each pre-acquired parcel. NOTE: Funding is not guaranteed until official notification. All acquisitions prior to official notification are at the risk of the applicant.

(Boundary maps should clearly identify these parcels.)

Owner's Name	Parcel Tax ID Numbers	Date of Closing
_____	_____	_____
_____	_____	_____
_____	_____	_____

The use of condemnation or the threat of condemnation is not considered a voluntarily-negotiated transaction and parcels acquired under these conditions do not qualify for acquisition or reimbursement under this program.



**5b. Grant Funded Acquisition - (THCTF conducts the entire acquisition)**

The entire project site will be acquired by the THCTFBD (or a joint venture) through a voluntarily-negotiated transaction. Identify the current owner's name(s), parcel tax identification number(s), for each parcel.  
 NOTE: Funding is not guaranteed until official notification.

(Boundary maps should clearly identify these parcels.)

Priority	Owner's Name	Parcel Tax ID Numbers	Owner's Address	Phone
1				
2				
3				
4				

The use of condemnation or the threat of condemnation is not considered a voluntarily-negotiated transaction and parcels acquired under these conditions do not qualify for acquisition or reimbursement under this program.

**5c. Reimbursement Acquisition - Parcels to Be Acquired**

(Applicant conducts the entire acquisition and is reimbursed by THCTF after the acquisition is completed)  
 NOTE: Funding is not guaranteed, until official notification. Any acquisition prior to official approval is at the risk of the applicant.

The entire project site or the remaining un-acquired parcel(s) in the site will be acquired by the applicant through a voluntarily-negotiated transaction. If so, provide the owner's name(s), parcel tax identification number(s), and the anticipated closing date(s) of each parcel.

Owner's Name	Parcel Tax ID Number	Date of Closing
Glenda & Elbert Gibbs	072.00	

The use of condemnation or the threat of condemnation is not considered a voluntarily-negotiated transaction and parcels acquired under these conditions do not qualify for acquisition or reimbursement under this program.

**6. Land Management**

Who will be responsible for managing/monitoring the site?

State   Joint Local Government

Identify Joint Partner City of Kingsport/Bays Mtn. Park

Applicant has contacted state agency and discussed management opportunities.  Yes  No

7. Maps

A general location map along with boundary and/or topo map should be attached if available.

8. Current primary use of land:

- |   |   |
|---|---|
| <input type="checkbox"/> Agricultural             | <input type="checkbox"/> Cultural                 |
| <input type="checkbox"/> Forestry                 | <input type="checkbox"/> Historical               |
| <input type="checkbox"/> Mining                   | <input type="checkbox"/> Archaeological           |
| <input type="checkbox"/> Open Space               | <input type="checkbox"/> Recreational / Park land |
| <input type="checkbox"/> Trails (Foot and/or OHV) | <input checked="" type="checkbox"/> Other         |

9. Future Intended use of the land?

Briefly Describe (Maximum of 50 words.)

If purchased, the Gibbs property will enhance Bays Mountain Park with new trails, backcountry camping, and expanded educational programs. It will improve access for rescues, support biodiversity research, and offer guided hikes, including a new waterfall feature while preserving the Laurel Run Watershed for future generations.

PROJECT SUMMARY (Maximum - two (2) pages)

Points will be awarded according to the scale: Partial points: 1-10; Maximum points: 20

Provide a discussion of the purposes of the acquisition, existing and future uses, existing and proposed physical improvements, natural and historic resources, and resource protection and enhancement activities.

Is this a partnership application between two or more agencies or nonprofit conservation organizations? If yes, please describe or list partners here.

Note: All HCTF funded projects are to be protected in perpetuity through deed restrictions or covenants whether by fee simple purchase, conservation easements or other similar means. It is necessary to share in the application that this will happen and in what manner.

Please specify the following in your narrative:

1. How the project fits into existing local and/or regional planning efforts
2. The intended use of the property
3. The intended ultimate owner of the property
4. The entity that will be responsible for managing the property and how this property fits in with their current agency priorities and/or management plans. If a management plan exists for this proposed acquisition, please refer to the specific document in your narrative.
5. The funding source for the cost of ongoing management
6. Description of adjacent property/boundaries
7. Is the project in an identified priority area by the "Tennessee Heritage Conservation Trust Fund Act" (<http://tennessee.gov/twra/thcp.html>)

PROJECT EVALUATION CRITERIA

The outcome from the Review Committee will be a ranked and prioritized list of projects for submission to the Heritage Conservation Trust Fund Board for consideration of funding. Its objectives are to:

- Provide a clear and defensible ranking process that can be articulated easily to program participants and partners; and
- Ensure fair, equitable and thorough review of all projects by the review committee.

CORE CRITERIA [1-4]

1. Tennessee Heritage Conservation Trust Fund (HCTF) Goals

Note: Provide a response that outlines your project's consistency with the mission and purpose of the Tennessee Heritage Conservation Trust Fund. Limit your written response to no more than 1 page.

Points will be awarded according to the scale: Partial points: 1-10; Maximum points: 20.

Mission: The Tennessee Heritage Conservation Trust Fund seeks to protect significant natural areas in Tennessee by strategically partnering with landowners, government agencies, non-profit organizations, for-profit companies and others.

Purpose: To assist the state in permanently conserving and preserving tracts of land within the state of Tennessee for the purposes of promoting tourism and recreation, including outdoor activities such as hunting, fishing, equestrian activities and hiking; protecting, conserving and restoring the state's physical, cultural, archeological, historical and environmental resources; and preserving working landscapes.

## 2. Importance

This section includes the environmental, social, and economic public benefits gained from the protection and management of the property. More points will be given to projects that demonstrate multiple public benefits. This criterion reflects the ecological assets and the economic and social values conserved by the project and the scale of people's interest in its protection. It is meant to assess the attributes to be conserved and who is receiving those benefits.

**Note: Check the appropriate attributes and provide a response to each of the following criteria that apply to the project. Limit your written responses to no more than 1 page. Points will be awarded according to the scale provided.**

- Outstanding/Exceptional value - 21-30 points - The project's attributes are of national, multi-state, state and local interest;
- Very Good - 11-20 points - The project's attributes are of state/local interest only;
- Medium / Average - 1-10 points - The project's attributes are of local interest only; or
- Low - 0 points - The project's attributes are unclear or unspecified.

Threatened or Endangered Species Habitat - The site has known individuals and/or habitat for federally designated rare, threatened or endangered plants and animals. In most cases, federally listed species will be given more consideration than state-only listed species.

Fish, Wildlife, Plants, and Unique Forest Communities - The site contains unique forest communities and/or important fish or wildlife habitat as specified by a wildlife conservation plan or strategy.

Water Supply Protection - Contiguous riparian area, forested wetlands, shorelines, river systems, sensitive watershed lands, buffer to public drinking water supply or an aquifer recharge area.

Public Access - The property has full or limited access, and may include specific use restrictions.

Scenic - The site is located within a viewshed of a formally designated scenic feature or area (such as trail, river, or highway).

Historic/Cultural/Archaeological - Formally documented cultural, historical or archaeological features are located on site.

Mitigation of Environmental Issues - The acquisition of property will assist in resolving current environmental issues that exist on site.

### 3. Threatened

This section estimates the likelihood for conversion, transfer or change of use of the property and your narrative should consider the following:

- The degree of legal protections that currently exists on the property (e.g. current zoning or existing easements) and if these protections remove the threat of conversion.
- Landowner's circumstances (e.g. good land steward interested in conserving land, property held in an estate, aging landowner and future use of property by heirs is uncertain, property is up for sale or has a sale pending, landowner has received purchase offers, public or other in holdings, etc.)
- Adjacent land use changes (rate of development growth and conversion, rate of population growth, rate of change in ownership, etc).
- Type of land (i.e. sensitive forest lands, farm land, etc.)

**Note:** Check the appropriate situation that currently exists with this project and provide a response. Limit your written response to no more than 1 page. Points will be awarded according to the scale provided.

Conversion/Transfer/Change of use is:

- Imminent/Likely** - Circumstances indicate conversion may occur soon (0-3 years) or in the somewhatdistant future: land has a subdivision plan, landowner has received offers from developers, landowner has sold off subdivisions of the property, land is located in a rapidly developing area, landowner(s) are aged or nearby comparable land has been recently sold for development. 16-30 points
- Possible** - Circumstances indicate conversion could occur within 10 years: Land is in an attractive location for development such as waterfront or an outdoor recreation area. 1-15 points
- Unlikely any time soon** (beyond 10 years) - 0 points

*NOTE: If property has been acquired by a third party at the request of the state, threatened will be evaluated based on the situation prior to the third party acquisition.*

### 4. Strategic

This section reflects the project's relevance or relationship to conservation efforts on a broader perspective. The project fits within a larger conservation plan, strategy, or initiative as designated by either a government or non-governmental entity and is strategically linked to enhance previous conservation investments and/or ensure acquisition of natural areas or open space through public acquisition (either Trust Fund or other investments).

Note: Check the appropriate strategic direction for your project and provide a response. Limit your written response to no more than 3 pages (max). For the criteria that are furthered by a specific planning document cite no more than five (5) relevant objectives or policies in your response. Points will be awarded according to the scale provided.

- 1.  A key property in a formally developed national or multi-state conservation effort, formally developed state plan/strategy and local conservation plans. 21-30 points
- 2.  A key property in a formally developed state plan or focused protection strategy only. 11-20 points
- 3.  Project only leads to additional conservation action locally. 1-10 points
- 4.  An isolated tract with no known connection at this time. 0 points

---

4. a.) - **Additional attachment:**

Map(s) which illustrate the strategic components of the property  
(Please check here if specific maps are attached to support this section)

4. b.) **Bonus Points:**

5 points possible

Has this project been scored previously in another funding/grant program? If YES, please give specific date, program, score and result of the application below.



ADDITIONAL CRITERIA

**1. Budget/Funding Information**

Scores in this section will be based on a % of your project that will be utilizing HCTF dollars. The lower the % (which shows greater leveraging of funds), the higher the score: 100%-50% = (Low)1-10 points; 49%-25% = (Medium) 11-20; 24%-below = (High) 30 points maximum.

Applicant must attach a one-page description of the proposed project funding detailing:

- existing or future cash from the applicant
- the source of all funding partners (including all other sources whose funds have been requested)
- description of the details of any donation, if applicable
- value of real property owned by the applicant in a qualified pre-acquisition
- description of any other sources of funding including federal, state, municipal or nonprofit organizations

Example:

Source of Funds	Amount	Status of Funds
Duke Foundation	\$100,000	In hand
Private Donors	\$ 50,000	Pledged
HCTF	\$ 25,000	Requested
Total	\$175,000	

**2. Applicant Financial Information**

As per the THCTF Act, any entity applying for a grant or loan from the trust fund to acquire an interest in real property shall provide a copy of the organization's most recent audited annual financial statements. Such statements must have been prepared within two (2) years of the date of this grant application.

Attached

Resources

<http://www.state.tn.us/environment/>

- 2003-2008 Tennessee State Recreation Plan
- 2001 Greenways and Trails Plan
- The Cumberland Plateau National Heritage Corridor Feasibility Study
- Southern Appalachian Greenways Alliance (SAGA) Plan
- State Assessment of Land Needs

Contact additional state agencies and non-profit conservation organizations or land trusts for additional planning documents or reference materials.

<http://www.tnwf.org/>

<http://www.nature.org/tennessee/>

<http://www.state.tn.us/twra/>

[www.lta.org](http://www.lta.org) (Land Trust Alliance)

Mail, Fax or E-mail completed application to:

TENNESSEE HERITAGE CONSERVATION TRUST FUND  
TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
Real Property Manager  
William R. Snodgrass TN Tower  
312 Rosa L. Parks Ave. 2nd Floor  
Nashville, TN 37243



**AGENDA ACTION FORM**

**Consideration of a Resolution to Renew Stop Loss Contract**

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

Action Form No.: AF-292-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Michael Wessely  
Presentation By: Tyra Copas

**Recommendation:**

Approve the Resolution to remain with current Stop Loss Carrier (VOYA).

**Executive Summary:**

Mark III, our benefits broker, presented six Stop Loss proposals for consideration for the 2025 calendar year: three from VOYA and three from Sun Life. These proposals offered various deductible options, each with associated cost increases to the city. The proposed premium increases range from 26.86% to 53.34%, with some excluding high-dollar claims (lasers). The primary difference among the proposals is the specific deductible amount, with one maintaining the current deductible of \$175K and the others ranging from \$185K - \$200K.

The deductible is the amount the city must cover on a claim before Stop Loss coverage begins. After carefully evaluating all options, the Benefits Administration recommends renewing with VOYA and increasing the aggregate deductible from \$175K to \$200K. This option reflects a 29.54% premium increase but represents the lowest cost increase among the proposals without lasers, while still providing strong protection for the city against catastrophic health claims.

**Attachments:**

1. Resolution
2. Stop Loss Proposals Comparison

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION AUTHORIZING THE RENEWAL OF A POLICY FOR STOP LOSS INSURANCE COVERAGE WITH VOYA RELIASTAR LIFE INSURANCE COMPANY AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, in 2020, the city entered into an agreement for stop loss excess risk insurance for its self-funded health insurance plan with Voya's ReliaStar Life Insurance Company (Res. No. 2021-098); and

WHEREAS, the policy covered the period from January 1, 2021 through December 31, 2021 with an option to renew; and

WHEREAS, the city's benefits broker, Mark III, obtained three options from Voya ReliaStar Life Insurance Company for renewal of the city's stop loss excess risk insurance, and based upon current data, claims, and the options provided the board finds it is in the best interest and advantage to the city to retain stop loss excess risk insurance with an increase of the individual deductible to \$200,000.00.

Now therefore,

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

SECTION I. That the board approves and authorizes the renewal of the city's stop loss excess risk insurance with Voya's ReliaStar Life Insurance Company with an increase of the individual deductible to \$200,000.00.

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, all documents necessary and proper for the renewal of the stop loss insurance coverage for the city's self-funded health insurance plan effective January 1, 2025, through December 31, 2025 with an increase of the individual deductible to \$200,000.00, to deliver the necessary documents and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

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 December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

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ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, City Attorney

## City of Kingsport Stop Loss Renewal 2024

Coverage	Average Number of Members	Current	Renewal*	Voya	Voya	Sun Life	Sun Life	Sun Life
		Voya \$175,000/125% Agg/Spec \$175,000	Voya \$175,000/125% Agg/Spec \$175,000	\$185,000/125% Agg/Spec \$175,000	\$200,000/125% Agg/Spec \$175,000	\$175,000/125% Agg/Spec \$175,000	\$185,000/125% Agg/Spec \$175,000	\$200,000/125% Agg/Spec \$175,000
Specific Stop Loss Rate		\$84.09	\$125.84	\$117.25	\$104.68	\$118.93	\$114.72	\$102.89
Aggregate Stop Loss	696	\$3.33	\$3.46	\$3.60	\$3.81	\$3.17	\$3.21	\$3.26
Gene Therapy			\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
Total Monthly Premium		\$60,844.32	\$93,298.80	\$87,417.60	\$78,815.04	\$88,287.60	\$85,385.28	\$77,186.40
Total Annual Premium		\$730,131.84	\$1,119,585.60	\$1,049,011.20	\$945,780.48	\$1,059,451.20	\$1,024,623.36	\$926,236.80
Difference			\$389,453.76	\$318,879.36	\$215,648.64	\$329,319.36	\$294,491.52	\$196,104.96
Percent Chagne			53.34%	43.67%	29.54%	45.10%	40.33%	26.86%
ASL Attachment Rate		\$1,481.66	\$1,523.29	\$1,530.99	\$1,541.48	\$1,545.23	\$1,554.28	\$1,571.59
ASL Attachment Point		\$12,374,824.32	\$12,722,518.08	\$12,786,828.48	\$12,874,440.96	\$12,905,760.96	\$12,981,346.56	\$13,125,919.68

\*Includes Gene Therapy

Lasers	Lasers	Lasers
\$650k	\$650k	\$650k
-\$425k	-\$425k	-\$425k



**AGENDA ACTION FORM**

**Consideration of a Resolution Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Agreement with LHP Capital**

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

Action Form No.: AF-346-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Steven Bower  
Presentation By: Steven Bower

**Recommendation:**  
Approve the Resolution.

**Executive Summary:**  
The Kingsport Economic Development Board voted unanimously at their December 3, 2024 meeting to approve this PILOT as presented. If approved, this action would authorize the execution of a PILOT Agreement with LHP Capital for a \$17 million-dollar renovation of the Stonecrest Apartments, formerly Model City Apartments, located at 1040 Stonegate Rd.

The 256-unit affordable housing community is approximately 50 years old and in need of renovations. The extensive rehab of the property will improve the quality of life for residents and enhance the curb appeal in the highly visible area. This project mirrors the renovation done at Kingsport West Apartments, that was also brought before the board on May 19<sup>th</sup>, 2020.

LHP has agreed to work closely with the Kingsport Police Department to enhance security measures following the renovation work. These measures include continuation of KPD presence on the property, shared access into the site security system, and installation of additional cameras at the Police Department request.

The PILOT will be for 15 years starting with a pro-rata payment of \$110,000 between the City and County and will increase at a rate of \$1,000 per year. The current pro-rata payment is \$106,660.

- Attachments:**
- 1. Resolution
  - 2. PILOT Agreement/Lease
  - 3. PILOT Financials

Item XI8.

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



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

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE TO NEGOTIATE AND ACCEPT FROM LHP CAPITAL PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A LOW AND MODERATE-INCOME MULTIFAMILY HOUSING PROJECT IN THE CITY OF KINGSPORT, TENNESSEE, AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE PUBLIC PURPOSES OF THE BOARD AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305

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

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

WHEREAS, LHP Capital., a Tennessee limited partnership, or an affiliate thereof (the "Developer") has requested KEDB to take leasehold ownership of certain property on which the Developer proposes to make improvements and rehabilitate Stonecrest Apartments, a 256-unit housing facility for low and moderate-income citizens (collectively, the "Project") located at 1000 Stonegate Rd, Kingsport, TN 37660, Kingsport, Sullivan County, Tennessee (the "Property"); and

WHEREAS, as a part of such discussions, the Developer has requested KEDB lease the Project to the Developer or an affiliated entity under an arrangement whereby the Developer or its affiliated entity will make payments in lieu of ad valorem taxes; and

WHEREAS, upon the acquisition of the Project by KEDB and the lease of the Project to the Developer or an affiliated entity, the Developer intends to make improvements to and renovate the Project; and

WHEREAS, the renovations to the Project will improve the low and moderate-income housing and will contribute to the health, welfare and citizens of in the City of Kingsport, Tennessee, and Sullivan County, Tennessee in furtherance of the purpose for which KEDB was created; and

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

WHEREAS, the Governing Body finds that such payments in lieu of ad valorem taxes are deemed to be in furtherance of the public purposes of KEDB as defined in Tennessee Code Annotated section 7-53-305(b) in that among other things the Project will enhance the quantity and quality of available housing in the city and will generate additional tax revenues for the city.

Now therefore,

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

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

SECTION II. That KEDB's agreement with the Developer concerning payments in lieu of ad valorem taxes may provide that any ad valorem taxes paid by the Developer to any taxing jurisdiction with respect to its leasehold interest in the Project shall constitute a credit against the payments in lieu of ad valorem taxes due such taxing jurisdiction.

SECTION III. The Governing Body hereby consents and delegates to KEDB the right to negotiate such payments in lieu of tax from the Developer, as a lessee of KEDB with respect to the Project, in accordance with the Lease.

SECTION IV. KEDB's agreements concerning payments in lieu of ad valorem taxes relating to the Project may contain such administrative provisions not inconsistent with this resolution as KEDB deems appropriate.

SECTION V. That all other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict, hereby repealed.

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

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

ADOPTED this the 17th day of December, 2024

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PAUL W. MONTGOMERY, MAYOR

ATTEST:

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

---

RODNEY B. ROWLETT, III, CITY ATTORNEY

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF KINGSPORT, TENNESSEE

(a public nonprofit corporation organized  
under Tennessee law)

TO

MODEL CITY III, L.P.

(a Tennessee limited partnership)

---

LEASE

DATED AS OF \_\_\_\_\_

---

This instrument prepared by:  
BASS, BERRY & SIMS PLC (JPM)  
900 S. Gay Street, Suite 1700  
Knoxville, Tennessee 37902

**LEASE**

This Lease, made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2025, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. ("Lessor"), and MODEL CITY III, L.P., a Tennessee limited partnership ("Lessee").

W I T N E S S E T H:

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

WHEREAS, in order to encourage Lessee to cause the acquisition, construction, rehabilitation and equipping of a 256-unit housing facility known as Stonecrest Apartments located in the City of Kingsport, Tennessee (the "Project"), thereby furthering the purposes of the Act, Lessor desires to lease to Lessee and Lessee desires to rent from Lessor certain real property hereinafter more particularly described, on the terms and conditions set forth herein; and

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

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

UNDER AND SUBJECT to the following terms and conditions:

**ARTICLE I.**

Definitions

Section 1.01 In addition to the words, terms and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

"Acquisition Deed" shall mean the deed pursuant to which Lessor acquires title to the Leased Land.

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

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

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

"Buildings" shall mean the Buildings to be renovated on the Leased Land by Lessee pursuant to Article XI.

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

"Completion Date" shall mean the earlier of (i) the third anniversary hereof, subject to extension upon an event of Force Majeure and (ii) the date that the renovations to the Buildings described in Article XI are substantially complete, as evidenced by the issuance of a certificate of occupancy. Lessee shall provide a certificate to Lessor evidencing the Completion Date no later than thirty (30) days after the occurrence of the Completion Date.

"County" shall mean Sullivan County, Tennessee.

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

"Investor Limited Partner" shall mean [\_\_\_\_\_] and its successors and assigns.

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

"Leased Land" shall mean the real property described in Exhibit A attached hereto.

"Leased Property" shall mean the Leased Land, together with the Buildings and related improvements.

"Lender" shall mean [\_\_\_\_\_] and its successors and assigns.

"Lessee" shall mean Model City III, L.P., a Tennessee limited partnership.

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

"Tax Credits" shall mean any low income housing tax credits available at the Leased Property pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

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

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

**ARTICLE II.**  
**Representations of Lessee**

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

(a) Lessee is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Tennessee, has full power and authority to enter into this Agreement and to perform all obligations contained herein and therein, and has, by proper action, been duly authorized to

execute and deliver this Lease and, when executed and delivered by the parties thereto, this Lease will constitute the valid and binding obligation of Lessee enforceable in accordance with its terms.

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

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

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

(e) To the knowledge of Lessee, and in reliance upon, and except as disclosed in, an independent third-party report obtained by Lessee, there are no substances, materials, wastes, pollutants or contaminants located on the Leased Property that are regulated under any environmental law or regulation except those materials and substances that are maintained in compliance with such laws and regulations, and Lessee shall not permit material quantities of such substances, materials, wastes, pollutants or contaminants to exist on the Leased Property during the Term of this Lease except in compliance with such laws and regulations.

### **ARTICLE III.** Lease Term

Subject to the provisions contained in this Lease, this Lease shall be in full force and effect for a Term commencing on the date hereof and ending on the fifteenth (15<sup>th</sup>) anniversary of the Completion Date, unless terminated earlier, in accordance with the terms hereof. Lessee shall provide a certificate to Lessor evidencing the Completion Date no later than thirty (30) days after the occurrence of the Completion Date.

Notwithstanding the foregoing, the Term of this Lease may be terminated upon exercise by Lessee of the purchase option described in Article XIV hereof.

### **ARTICLE IV.** Rent

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

Section 4.02 Additional Rent. Lessee agrees to pay, as additional rent, all other amounts,

liabilities and obligations which Lessee herein assumes or agrees to pay.

#### **ARTICLE V.**

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

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

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

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

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

#### **ARTICLE VI.**

##### Title and Tax Benefits

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



this Lease or consented to by Lessee.

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

**ARTICLE VII.**  
Taxes and Other Charges

Section 7.01 Taxes and Other Governmental Charges. Lessee agrees, subject to the provisions of Section 7.04, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable without penalty, all ad valorem taxes that at any time during the Term shall be or become due and payable by Lessor or Lessee and that shall be levied, assessed or imposed upon, or that shall be or become liens upon, the Leased Property or any portion thereof or any interest of Lessor or Lessee therein, under and by virtue of any present or future law, statute, regulation or other requirement of any governmental authority.

Section 7.02 Lessee Subrogated to Lessor's Rights. To the extent of any payments of additional rent by Lessee under this Article VII, Lessee shall be subrogated to Lessor's rights in respect to the proceedings or matters relating to such payments, and any recovery in such proceedings or matter shall be used to reimburse Lessee for the amount of such additional rent so paid by Lessee.

Section 7.03 Utility Services. Lessee agrees that Lessor is not, nor shall it be, required to furnish to Lessee or any other user of the Leased Property any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind pursuant to this Lease and Lessee agrees that it shall pay all costs and expenses related to the foregoing. This is a fully net Lease to the Lessor.

Section 7.04 Payments in Lieu of Taxes.

(a) Recognition of Tax Status. Lessee recognizes that under present law, including specifically the Act, the properties owned by Lessor are exempt from all taxation in the State of Tennessee.

(b) Administrative Provisions. In furtherance of the agreements in this Section, it is agreed by and between the parties hereto that Lessee, in cooperation with Lessor, shall cause all of the Leased Property, including but not limited to, the Leased Land, the Buildings, and each expansion of any Building to be valued and assessed separately by the assessor or other official or officials charged with the responsibility of assessing privately owned property in the area where the Leased Property is located at the time such privately owned property is valued or assessed. Lessee, in cooperation with Lessor, shall cause to be applied to the appropriate taxable value of each such portion of the Leased Property the tax rate or rates that would be applicable for state and local tax purposes if the property were then privately owned,

and shall cause the county trustee or other official or officials charged with the responsibility of collecting taxes to submit annually to Lessor and Lessee a statement of the taxes which would otherwise then be chargeable to each such portion of the Leased Property. The right is reserved to Lessee to the same extent as if Lessee were the owner of the Leased Property to contest the validity or amount of any such assessment.

(c) Payments in Lieu of Taxes. In addition to Basic Rent and Additional Rent hereunder, Lessee and Lessor agree that Lessee shall pay directly to the City and the County the following payments in lieu of taxes: (i) for each Tax Year during the period commencing on the date hereof through and including the end of the calendar year during which the Completion Date occurs, an annual payment in lieu of taxes equal to \$110,000 (which amount shall be divided \$[\_\_\_\_\_] to the City and \$[\_\_\_\_\_] to the County), and (ii) for each Tax Year thereafter, an annual payment in lieu of taxes equal to the amounts shown for each Tax Year on Exhibit C attached hereto (collectively, the "PILOT Payments").

Amounts payable with respect to any periods that are less than an entire Tax Year included within the Term will be prorated based upon the actual number of days included within such Tax Year. Any payment due with respect to a Tax Year that is not paid prior to the termination or expiration of this Lease shall not be extinguished as a result of such termination or expiration and shall survive such termination or expiration.

Notwithstanding anything to the contrary contained in this Section, this Lease shall not be extended except pursuant to an amendment in writing and executed by both the Lessor and Lessee (and consented to by the Investor Limited partner), which amendment may be granted or withheld or consented to by the parties in their sole and absolute discretion. Such reduction in taxes otherwise payable shall not apply with regard to any other tax assessed against Lessee, its income, its other real property or its personalty. In the event Lessee assumes ownership of the Leased Property, Lessee shall begin paying all applicable ad valorem and other taxes directly to the City and the County, as assessed, but shall not make, from the date of such acquisition, any in lieu payments with respect to such property other than those payments that were unpaid at the time of such acquisition.

Notwithstanding anything to the contrary contained in this Section, in the event that Lessee fails to complete the renovation of the Buildings in accordance with Article XI hereof or the Leased Property becomes wholly ineligible for Tax Credits due to an uncured violation of the use restrictions (related to the Tax Credits) applicable to the Leased Property, then Lessee shall make a payment in lieu of taxes with respect to each Tax Year remaining in the Term on behalf of the Lessor to the City and the County in an amount equal to the ad valorem taxes that would otherwise be payable with respect to the Leased Property if such Leased Property were owned by Lessee.

(d) Credit for Taxes Paid. Nothing contained in this Section 7.04 is intended or shall be construed to require the payment by Lessee of any greater amounts in lieu of taxes than would be payable as taxes if the Leased Property were owned by Lessee. It is accordingly understood and agreed that the amount payable by Lessee in any year under the provisions of this Section 7.04 shall be reduced by the amount of any ad valorem taxes lawfully levied upon the Leased Property or any part thereof, or upon Lessee's leasehold estate therein, and actually paid by Lessee pursuant to the requirements of Section 7.01 hereof to the City and the County and to the extent that any such tax payments paid by Lessee pursuant to the requirements of Section 7.01 hereof for any year shall exceed the PILOT Payments for such year otherwise provided in this Section 7.04 the amount payable by Lessee in any subsequent year under the provisions of this Section 7.04 shall be reduced by such excess amount.

(e) Timing of Payments. Each payment in lieu of taxes required by this Section 7.04 with respect to any Tax Year or partial Tax Year shall be paid not later than the last day on which ad valorem taxes are payable without penalty or interest to the City with respect to such Tax Year or partial

Tax Year.

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

(g) Payment Upon Termination or Expiration. Upon the termination of this Lease for any reason during a Tax Year, Lessee shall pay a pro-rated amount of the payments in lieu of taxes, if any, required by this Section 7.04 for the period that this Lease is in effect and for which no payments in lieu of taxes have been made up to the date of such termination within thirty (30) days after such termination.

(h) Cessation of Business or Foreclosure. Except in the event Lessee shall terminate this Lease pursuant to Article IX of this Lease, in the event Lessee ceases the active operation (excluding temporary cessations due to Force Majeure events) of a low-income housing facility for eligible residents at the Leased Property, and notwithstanding any provision herein to the contrary, Lessee shall make payments in lieu of taxes beginning as of the date Lessee ceases such operation equal to the ad valorem taxes that Lessee otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by Lessee. Upon the foreclosure of Lessee's leasehold interest in this Lease, or assignment of Lessee's leasehold interest in this Lease without the prior written consent of Lessor, any successor to Lessee's interest hereunder shall, notwithstanding any provisions herein to the contrary, make payments in lieu of taxes beginning as of the date such successor acquires Lessee's leasehold interest hereunder equal to the ad valorem taxes that such successor otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by such successor.

Section 7.05 Permitted Contests. Lessee shall not be required to pay any tax or assessment against the Leased Property or any part thereof, so long as Lessee shall, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings which shall operate to prevent the collection of the tax or assessment so contested or resulting from such contest and the sale of the Leased Property or any part thereof to satisfy the same. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine, and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses (including attorneys' fees) in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses. Notwithstanding the foregoing, Lessee shall not have the right to contest or appeal the amount of the PILOT Payments.

Section 7.06 Additional Improvements. The PILOT Payments payable hereunder shall only apply to the Leased Land, the Buildings and the renovations and rehabilitation of the Buildings in connection with the Project. In the event Lessee constructs improvements on the Leased Land other than the Buildings or removes and replaces the Buildings (other than if due to a casualty), Lessee shall make payments in lieu of taxes to the City and the County with respect to such additional or replaced improvements in an amount equal to the ad valorem taxes that would otherwise be payable with respect to such improvements or replacements if such improvements or replacements were owned by Lessee, unless Lessor and Lessee shall agree in writing otherwise.

Section 7.07 Survival. The provisions of this Article VII shall survive the termination of this Lease.

## ARTICLE VIII.

Maintenance and Repair

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

Lessee shall keep and maintain in good order, condition and repair (including any such repair as is required due to fire, storm or other casualty) the Leased Property and every part thereof and any and all appurtenances thereto. Lessee shall save Lessor harmless on account of claims for mechanics and materialmen's liens in connection with any work by Lessee, and any such liens shall exist only against Lessee's leasehold interest and shall be discharged, by bond or otherwise, within sixty (60) days after filing. Lessee shall keep and maintain the Leased Property in accordance with all directions, rules and regulations of the proper officials of the government agencies having jurisdiction, at the sole cost and expense of Lessee, provided that Lessee shall not be required to repair, rebuild or restore the Leased Property following material damage from a fire or other casualty except that Lessor may require Lessee to remove any debris from the Leased Property following a fire or other casualty. Lessee shall be entitled to receive all proceeds of casualty insurance relating to any damage or destruction of any portion of the Leased Property.

**ARTICLE IX.**  
Condemnation

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

**ARTICLE X.**  
Insurance and Indemnification

Section 10.01 Insurance. Lessee shall carry commercial general liability insurance covering the Leased Property and the use and occupancy of the same in a company or companies licensed to do business in Tennessee with limits of not less than \$1,000,000 per occurrence for injury/death and shall provide evidence of same to Lessor. Lessor shall be listed as an additional insured on such policy. Lessee shall also insure all improvements on the Leased Property at their full replacement value under a policy consistent with Lessee's customary insurance practices and in at least such amounts as are usually maintained by companies similar to Lessee engaged in the same or a similar business, with Lessor being included as an additional insured, and Lessee shall provide evidence of same to Lessor. Each policy described above shall not be canceled without first giving Lessor not less than thirty (30) days prior written notice. Lessee shall provide to Lessor evidence of all insurance policies contemplated by this Section, including, upon request, annual certificates of continued coverage.

Section 10.02 Indemnification. Lessee covenants and agrees, at its expense, to pay, and to indemnify and save Lessor and its directors, agents and employees (collectively, the "Indemnified Parties") harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from

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

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

## **ARTICLE XI.**

### **Renovation of Buildings; Alterations**

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

Lessee covenants and agrees at its expense to cause the acquisition of the Leased Land and the rehabilitation of each of the existing 256 apartment units and improvements located on the Leased Land (the "Buildings"). In connection therewith, Lessee agrees to incur capital expenditures for the renovation of the Buildings in an aggregate amount of not less than \$[\_\_\_\_\_]. It is understood and agreed that the Buildings, together with all other improvements or fixtures from time to time placed on the Leased Land,

shall become the property of Lessor and part of the Leased Property, subject to the purchase option set forth in Article XIV. Lessee agrees to complete the renovation of the Buildings prior to the second anniversary hereof, provided that such time period shall be extended upon an event of Force Majeure. Lessee will use commercially reasonable efforts to encourage its contractor to use local labor and local vendors during the rehabilitation of the Buildings, and, upon Lessor's request, Lessee will provide information to Lessor in connection with Lessee's efforts related thereto.

## **ARTICLE XII.**

### Subletting, Assignments and Mortgaging

Section 12.01 Except for (i) leases to tenants in the ordinary course of business or otherwise desirable for operation of an apartment complex, (ii) a leasehold deed of trust pursuant to which Lessee mortgages its leasehold estate in the Leased Property, (iii) removal of the general partner of Lessee in accordance with the terms of its partnership agreement or by the Lender pursuant to the loan documents related to the loan from the Lender to Lessee (the "Loan Documents") so long as any new general partner of Lessee is approved by Lessor, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved, and (iv) any other transfer of a partnership interest of Lessee in accordance with the terms of its partnership agreement or by the Lender pursuant to the Loan Documents so long as (A) LHP Capital, LLC or an affiliate thereof remains a direct or indirect partner of Lessee or (B) the transferee is approved by Lessor, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved (each of the foregoing being a "Permitted Transfer" which shall not require Lessor's consent), Lessee shall not have the right to sublet the Leased Property or assign or otherwise transfer its rights and interest hereunder except with the prior written consent of Lessor or as explicitly permitted in this Lease. In the event that the Lender becomes the successor lessee hereunder pursuant to this section, the Lender shall be eligible to make the payments in lieu of taxes pursuant to Section 7.04 hereof; and further provided that any successor or assign of the Lender, or any purchaser at a foreclosure sale other than the Lender, shall be entitled to make payments in lieu of taxes pursuant to Section 7.04 hereof so long as Lessor has reasonably approved such person or entity, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved. If such successor or assign of the Lender or any purchaser at a foreclosure sale other than the Lender is not approved by Lessor (the "Non-Approved Party") in accordance with the foregoing sentence, then the Non-Approved Party shall make payments in lieu of taxes beginning as of the date of such assignment or purchase equal to the ad valorem taxes that Lessee otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by Lessee. If Lessee conveys, assigns, transfers, leases, subleases or sells all or any part of its rights or interest hereunder to a transferee with the approval of HUD in accordance with section (c) of Lease Addendum attached hereto as Exhibit E but without the approval of Lessor, such transferee shall make payments in lieu of taxes beginning as of the date thereof equal to the ad valorem taxes that Lessee otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by Lessee, except as otherwise provided in this Section 12.01.

Section 12.02 If a mortgagee or an investor limited partner of Lessee shall have given Lessor, before any Event of Default shall have occurred hereunder, a written notice specifying the name and mailing address of the mortgagee or investor limited partner, then Lessor shall not terminate this Lease by reason of the occurrence of any Event of Default hereunder unless Lessor shall have given the mortgagee and investor limited partner a copy of its notice to Lessee of such Event of Default addressed to the mailing address last furnished by the mortgagee and investor limited partner, and such Event of Default shall not have been cured by said mortgagee or investor limited partner within the time permitted herein (which such time period, with respect to mortgagee and investor limited partner, shall begin upon receipt of the respective notice by mortgagee and investor limited partner), provided that mortgagee and investor limited

partner shall have the right to extend the period of time for the curing of any such Event of Default for an additional period of thirty (30) days from the date contained in the notice given pursuant to Section 16.03 herein, or in the case of an Event of Default which cannot be cured within said thirty (30) day period, for such additional period (not to exceed an additional sixty (60) days) as, with all due diligence and in good faith, is necessary to cure the Event of Default. Lessor acknowledges that it has received written notice that (a) Lender is a mortgagee hereunder, and that Lessor shall send notices required to be sent to a mortgagee hereunder to Lender at the address provided in Section 15.03 and (b) the Investor Limited Partner is an investor limited partner hereunder, and that Lessor shall send notices required to be sent to an investor limited partner hereunder to the Investor Limited Partner at the address provided in Section 15.03.

Section 12.03 Lessee irrevocably directs that Lessor accept, and Lessor agrees to accept, performance by any such mortgagee or investor limited partner of the Lessee's right to terminate this Lease granted to Lessee by Article XIV hereof, regardless whether an Event of Default has occurred. After the date hereof, and in addition to any rights the mortgagee or investor limited partner may have by virtue of this Lease, including the right to terminate the Lease, if, within ninety (90) days after the mailing of a notice of termination, or such later date as may be provided in this Lease following the expiration of the cure period, if any, afforded to the Lessee (the "Mortgagee/Investor Cure Period"), such mortgagee or investor limited partner shall pay, or arrange to the satisfaction of Lessor for the payment of, a sum of money equal to any and all Basic Rent, and other payments due and payable by Lessee hereunder (but not the costs or payments for the obligations under Article XI) with respect to the portion of the Leased Property to which such mortgagee or investor limited partner claims an interest as of the date of the giving of notice of termination, in addition to their pro rata share of any and all expenses, costs and fees, including reasonable attorneys' fees, incurred by Lessor in preparation for terminating this Lease, and in acquiring possession of the Leased Property, then, upon the written request of such mortgagee or investor limited partner made any time prior to the expiration of the Mortgagee/Investor Cure Period, Lessor and the party making such request (or its nominee) (the "New Lessee") shall mutually execute prior to the end of such Mortgagee/Investor Cure Period a new Lease of the Leased Property (or such portion thereof as they have an interest in or mortgage on) for the remainder of the Term of this Lease and on the same terms and conditions, and with the same priority over any encumbrances created at any time by Lessor, its successors and assigns which Lessee has or had by virtue of this Lease; provided, however, that in addition to the above payments such New Lessee shall have paid to Lessor a sum of money equal to the Basic Rent and other payments for such portion of the Leased Property accruing from the date of such termination to the date of the commencement of the term of such new Lease, together with its pro rata share of all expenses, including reasonable attorneys' fees, incident to the preparation, printing, execution, delivery and recording of such new lease and provided, further, that such New Lessee is approved by Lessor, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved. Such priority shall exist by virtue of the notice created by this Lease to any transferee of Lessor or person receiving an encumbrance from Lessor, and the priority shall be self-operative and shall not require any future act by Lessor. Such new Leases shall contain the same clauses subject to which this demise is made, and shall be at the rents and other payments for such portion of the Leased Property due Lessor and upon the terms as are herein contained. New Lessees under any such new Leases shall have the same right, title and interest in and to and all obligations accruing thereafter under this Lease with respect to the applicable portion of the Leased Property as Lessee has under this Lease. Nothing in this Section 12.03 shall require the investor limited partner or mortgagee, as a condition to the exercise of its rights under this Section 12.03, to cure any default of Lessee not reasonably susceptible of being cured by any investor limited partner or mortgagee.

Section 12.04 Simultaneously with the making of such new leases, the party obtaining such new lease and all other parties junior in priority of interest in the Leased Property shall execute, acknowledge and deliver such new instruments, including new mortgages and new subleases, as the case may be, and shall make such payments and adjustments among themselves, as shall be necessary and proper for the



purpose of restoring to each of such parties as nearly as reasonably possible, the respective interest and status with respect to the Leased Property which was possessed by the respective parties prior to the termination of this Lease as aforesaid.

Section 12.05 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Leased Property to such mortgagee or their respective nominee until the new leases have been executed by all pertinent parties. Lessor agrees, however, that Lessor will, at the cost and expense of such mortgagee or respective nominee, cooperate in the prosecution of judicial proceedings to evict the then defaulting Lessee or any other occupants of the Leased Property.

Section 12.06 Notwithstanding the term of any mortgage, Lessee's mortgagee shall have no further rights in the Lease except as stated herein. As used in this Section and throughout this Lease, the noun "mortgage" shall include a leasehold deed of trust, the verb "mortgage" shall include the creation of a leasehold deed of trust, the word "mortgagee" shall include the beneficiary under a leasehold deed of trust, and the terms "foreclose" or "foreclosure" shall include a trustee's sale under a deed of trust as well as a foreclosure by judicial process.

Section 12.07 Lessor and Lessee recognize that the Leased Property has been conveyed to Lessor subject to or contemporaneously with the execution of a deed of trust securing the financing of the acquisition of and renovations to the Leased Property Lessor will execute and deliver commercially reasonable documents pledging its interest in the Leased Property, by joinder or otherwise, in connection with Lessee's financing or refinancing of the Leased Property.

### **ARTICLE XIII.**

#### **Events of Default; Termination**

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

(a) if Lessee fails to maintain the commercial general liability insurance or other insurance coverages required by Section 10.01 after being given notice of such failure and not curing such failure within ten (10) days of receipt of such notice; or

(b) if default shall be made in the due and punctual payment of any payment due pursuant to Section 7.04 hereof, and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; or

(c) if default shall be made by Lessee in the due performance of or compliance with any of the terms hereof, other than that referred to in the foregoing subdivisions (a) and (b), and such default shall continue for sixty (60) days after Lessor shall have given Lessee written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 60-day period, if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with any such default not susceptible of being cured with due diligence within the sixty (60) days that the time of Lessee within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence);

then in any such event Lessor at any time thereafter and while such Event of Default shall continue may give a written termination notice to Lessee, which notice shall specify the nature of the Event of Default and a date of termination of this Lease not less than ninety (90) days after the giving of such notice. Upon such termination, Lessor shall have the right, but not the obligation, to enter upon the Leased Property and repossess the Leased Property. This termination right is subject to Lessee's right to purchase the Leased Property pursuant to Section 14.01 and at any time during or within 30 days after the term of this Lease,

Lessee may exercise its right in Section 14.01 to purchase the Leased Property without regard to whether an Event of Default has occurred.

**ARTICLE XIV.**  
Purchases and Purchase Prices

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

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

Section 14.03 Exercise of Option.

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

(b) On the purchase date for the purchase of the Leased Property pursuant to Section 15.01, this Lease shall terminate and Lessor shall convey Lessor's interest in the Leased Property to Lessee (or its assigns) by quitclaim deed without warranty of any type. The form of the quitclaim deed pursuant to which property will be conveyed pursuant to this Section shall be in the form attached hereto as Exhibit B. Lessee shall pay all expenses relating to such conveyance.

**ARTICLE XV.**  
Miscellaneous

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

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

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

case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Lessor:

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

with copies to:

J Conkin Law PLLC  
108 E Main St Suite 202  
Kingsport, TN 37660  
Attention: Joel A. Conkin

To the Lessee:

Model City III, L.P.  
900 South Gay Street, Suite 2000  
Knoxville, Tennessee 37902  
Attention: Carey B. Parker

with copies to:

Gentry, Tipton & McLemore, PC  
900 S. Gay Street, Suite 2300  
Knoxville, Tennessee 37902  
Attention: Brian Blind

To Lender (as mortgagee as provided in Article XII):

[\_\_\_\_\_]
[\_\_\_\_\_]

Attention:

with copies to:

[\_\_\_\_\_]
[\_\_\_\_\_]

Attention:

To the Investor Limited Partner
(as an investor limited partner as provided in Article XII):

[\_\_\_\_\_]
[\_\_\_\_\_]

Attention:

with copies to:

[\_\_\_\_\_]
[\_\_\_\_\_]

Attention:

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

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

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

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

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

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

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

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

Section 15.12 Interest. In addition to all other amounts payable under this Lease, Lessee shall also pay interest on any payment due hereunder that is not paid on the date such payment is due until paid at the interest rate, as it may vary from time to time, that the City would impose on a delinquent tax payment during the period such payment was due.

Section 15.13 HUD Lease Addendum. The Lease Addendum attached hereto as Exhibit E is incorporated herein and, in the event of a conflict between the terms of the Lease Addendum and this Lease, the Lease Addendum shall control.

[Signatures appear on following page.]

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

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF KINGSPORT, TENNESSEE

ATTEST:

By: \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

MODEL CITY III, L.P.,  
a Tennessee limited partnership

By: Model City III GP, LLC  
a Tennessee limited liability company,  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

Legal Description of Leased Land

EXHIBIT B

This Instrument Prepared By:  
BASS, BERRY & SIMS PLC (JPM)  
1700 Riverview Tower  
900 South Gay Street  
Knoxville, Tennessee 37902

QUITCLAIM DEED

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between:

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT,  
TENNESSEE, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-  
101, et seq.

First Party, and

MODEL CITY III, L.P., a Tennessee limited partnership.

Second Party,

WITNESSETH: that said First Party, for and in consideration of the sum of ONE DOLLAR (\$1.00) cash and other good and valuable considerations in hand paid by Second Party, the receipt and sufficiency of which is hereby acknowledged, has quitclaimed and does hereby quitclaim unto the said Second Party the following described premises (the "Property"):

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT A AND MADE A PART HEREOF.

THIS CONVEYANCE is made subject to applicable easements, restrictions and building set back lines of record.

TOGETHER with all the estate, right, title and interest of the First Party in the Property, with the hereditaments and appurtenances thereto appertaining releasing all claims therein.

In this instrument in every case the plural shall include the singular and vice-versa and each gender the others.

IN WITNESS WHEREOF, this instrument has been executed on behalf of First Party by its duly authorized officer on the day and year first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF KINGSPORT, TENNESSEE

By: \_\_\_\_\_  
Chairman

STATE OF TENNESSEE     )  
  )  
COUNTY OF \_\_\_\_\_ )

Personally appeared before me the undersigned authority, a Notary Public in and for said City and in said state, \_\_\_\_\_, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Chairman of The Industrial Development Board of the City of Kingsport, Tennessee, the within named bargainor, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq., and that he as such Chairman, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Chairman.

Witness my hand and official seal at office, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

Name and address of property owner:  
  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

who is responsible for payment of taxes.

CLT CODE: \_\_\_\_\_

I hereby swear or affirm that the actual consideration of this transfer is \$1.00.

Subscribed and sworn to before me, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Affiant

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public



EXHIBIT C

PILOT Payments

Tax Year	Amount Payable to Sullivan County	Amount Payable to the City of Kingsport	Total Payment
Year 1*	\$ 49,906.34	\$ 60,093.66	\$110,000
Year 2	\$ 50,360.03	\$ 60,639.97	\$111,000
Year 3	\$ 50,813.73	\$ 61,186.27	\$112,000
Year 4	\$ 51,267.42	\$ 61,732.58	\$113,000
Year 5	\$ 51,721.11	\$ 62,278.89	\$114,000
Year 6	\$ 52,174.81	\$ 62,825.19	\$115,000
Year 7	\$ 52,628.50	\$ 63,371.50	\$116,000
Year 8	\$ 53,082.20	\$ 63,917.80	\$117,000
Year 9	\$ 53,535.89	\$ 64,464.11	\$118,000
Year 10	\$ 53,989.58	\$ 65,010.42	\$119,000
Year 11	\$ 54,443.28	\$ 65,556.72	\$120,000
Year 12	\$ 54,896.97	\$ 66,103.03	\$121,000
Year 13	\$ 55,350.67	\$ 66,649.33	\$122,000
Year 14	\$ 55,804.36	\$ 67,195.64	\$123,000
Year 15	\$ 56,258.05	\$ 67,741.95	\$124,000

\*Year 1 is the Tax Year after the Tax Year in which the Completion Date occurs.

EXHIBIT D

Cost-Benefit Analysis

See attached.

EXHIBIT E

HUD Lease Addendum

**Lease Addendum -  
Multifamily**

**U.S. Department of  
Housing and Urban  
Development Office of**

OMB Approval No.  
2502-0598 (Exp.  
9/30/2021)

**Public Reporting Burden** for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

**Warning:** Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Project Name: Stonecrest Apartments  
HUD Project No:

THIS **LEASE ADDENDUM** is attached to and made part of that certain Lease dated as of \_\_\_\_\_, 202\_ (the "**Lease**") between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE ("Landlord")** and **MODEL CITY III, L.P. ("Tenant")** (collectively, the "**Parties**").

The Lease Addendum is required in connection with a mortgage loan insured by the U.S. Department of Housing and Urban Development ("**HUD**") for multifamily projects pursuant to the National Housing Act, as amended, found at 12 U.S.C. § 1701, *et seq.* ("**Act**"), and made by the following HUD-approved lender, [REDACTED], a [REDACTED] ("**Lender**"). The insured loan is secured by a Security Instrument on the leasehold estate set forth in the Lease.

The definition of any capitalized term or word used in this Lease Addendum and not otherwise defined can be found in the Security Instrument and/or Note between Lender and Tenant; or the Regulatory Agreement between Tenant and HUD. The terms "HUD" and "Lender" as used in the Lease Addendum shall also include their successors and assigns, and the Tenant is the same legal entity as the Borrower under the Security Instrument. All references to "days" in this Lease Addendum shall mean calendar days.

Notwithstanding anything else in the Lease to which this Lease Addendum is attached, and for valuable consideration, the receipt and sufficiency of which the Parties hereto hereby acknowledge and agree, and to induce the Lender to make the Loan to the Tenant described in the Security Instrument, and to induce HUD to insure said Loan, so long as this leasehold estate is subject to a security instrument

insured, reinsured, or held by HUD or given to HUD in connection with a resale, or the Property is acquired and held by HUD because of a default under the Security Instrument, Landlord and Tenant acknowledge and agree to the following provisions.

The leasehold estate consists of the legally described land and includes all buildings, improvements, alterations, and fixtures now or in the future located on the legally described land. The Tenant does not own title to any of the buildings, improvements, alterations or fixtures but Tenant is the owner of the buildings, improvements, alterations and fixtures for federal income and state franchise and excise tax purposes. As such, the term "**Property**" means the legally described land in the Lease including the buildings, improvements, alterations and fixtures now or in the future located on the land.

**1. Compliance with HUD Requirements.** Pursuant to the Act, the following provisions may not be waived under any circumstances, whether for a new lease or an existing lease:

- (a) Intentionally Deleted;
- (b) the Landlord owns the Property in fee simple, and the leasehold estate is directly by the Landlord to the Tenant;
- (c) the leasehold estate underlying the Lease constitutes a mortgageable real property interest under state law;
- (d) the Lease and related Lease documents do not conflict with any Program Obligations<sup>1</sup> promulgated by HUD with respect to such mortgage insurance; and
- (e) all ground rent amounts have prior written approval by HUD.

**2. Modifications.** The Lease and this Lease Addendum shall not be modified without the written consent of HUD and Lender. Modifications of the Lease and this Lease Addendum that are not authorized in writing by HUD and Lender are void and unenforceable.

**3. Conflict Provision.** The provisions of this Lease Addendum benefit Lender and HUD and are specifically declared to be enforceable against the parties to the Lease and all other persons by Lender and HUD. In the event of any conflict, inconsistency or ambiguity between the provisions of this Lease Addendum and the provisions of any other part of the Lease, the provisions of this Lease Addendum shall prevail and control.

**4. Recording.** The full Lease agreement and incorporated HUD Lease Addendum, or a memorandum of lease (if permitted under state law), must be recorded in the applicable land records office. If a memorandum of lease or a short form lease is to be recorded, it must set forth the following

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<sup>1</sup> "Program Obligations" means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Lease Addendum rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on "HUDCLIPS," at [www.hud.gov](http://www.hud.gov).

information, in addition to compliance with state law requirements:

- (a) names of the Parties;
- (b) legal description;
- (c) term and renewals;
- (d) reference to the HUD Lease Addendum; and
- (e) specific reference to HUD's option to purchase in Section 7 (unless Section 7 is expressly waived in writing by HUD in accordance with Program Obligations).

**5. Estoppel Certificate.** As a condition of HUD's acceptance of a lease transaction, an estoppel certificate identifying the Lease documents and signed by the Landlord, dated within thirty (30) days of the Note endorsement, must be provided to Lender and HUD at closing. The Landlord must confirm in writing to Lender and HUD that the Security Instrument is authorized, the Lease is in full force and effect, there are no defaults or pending defaults under the Lease or conditions that would give rise to defaults given the passage of time, and that the description of the Property is correct. The document must provide the language required by 24 CFR Section 200.62, and also include the "Warning" language found at the beginning of this Lease Addendum.

Upon a reasonable request from Tenant, Lender, or HUD, Landlord further agrees to promptly provide from time to time an estoppel certificate to confirm the terms of, and no default under, the Ground Lease.

**6. Consent for Mortgage.** Landlord agrees that the Tenant is authorized to obtain a loan, the repayment of which is to be insured by HUD and secured by the Security Instrument on this leasehold estate. The Tenant is further authorized to execute all documents necessary as determined by HUD and otherwise to comply with Program Obligations for obtaining such an insured loan.

**7. Intentionally deleted.**

**8. Conveyance by Tenant.** If approved in writing by HUD in advance, the Tenant may convey, assign, transfer, lease, sublease or sell all or any part of its leasehold interest in the Property without the need for approval or consent by any other person or entity.

**9. Insurance.**

- (a) Insurance policies shall be in an amount, and with such company or companies and in such form, and against such risks and hazards, as shall be approved by Lender and HUD.
- (b) The Landlord shall not take out separate insurance concurrent in form or contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender. The Landlord may at its own expense, however, take out separate insurance which is not concurrent in form or not contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender.

**10. Condemnation.** All awards and/or proceeds from a condemnation, or the negotiated sale in lieu of condemnation, of all or any part of the Tenant's and/or Landlord's interests in the Property, Improvements or the leasehold estate, shall be paid to Lender and applied as provided in the Security Instrument.

**11. Intentionally deleted.**

**12. Intentionally deleted.**

**13. Landlord Cooperation for Needed Authorizations.** The Landlord agrees that within ten (10) business days after receipt of written request from the Tenant, it will join in any and all applications for permits, licenses or other authorizations required by any Governmental Authority in connection with any work which the Tenant may do hereunder and will also join in any grants for easements for electric, telephone, telecommunications, cable, gas, water, sewer and such other public utilities and facilities as may be reasonably necessary in the operation of the Property and if, at the expiration of such ten (10) day period, the Landlord shall not have joined in any such application, or grants for easements, the Tenant shall have the right to execute such application and grants in the name of the Landlord, and for that purpose, the Landlord hereby irrevocably appoints the Tenant as its attorney-in-fact to execute such papers on behalf of the Landlord, only to the extent that a public body as Landlord may do so within the exercise of its municipal powers and responsibilities.

**14. Taxes.** Nothing in this Lease shall require the Tenant to pay any franchise, estate, inheritance, succession, capital levy or transfer tax of the Landlord or any income excess profits or revenue tax, or any other tax, assessment charge or levy upon the rent payable by the Tenant under this Lease.

**15. Notices.** All notices, demands and requests which are required to be given by the Landlord, Tenant, Lender or HUD in connection with the Lease and this Lease Addendum shall be in writing and shall be sent by registered or certified mail, postage prepaid, and addressed to the address of the party as given in this instrument unless a request for a change in this address has been sent to the party giving the notice by registered or certified mail prior to the time when such notice is given.

All notices shall be addressed as follows:

If to Lender:

[REDACTED]  
[REDACTED]

Attention:

with copies to:

[REDACTED]  
[REDACTED]

Attention:

If to HUD:

US Dept. of Housing and Urban Dev.  
235 Cumberland Bend, Suite 200  
Nashville, TN 37228-1803

If to Tenant:

Model City III, L.P.  
900 South Gay Street, Suite 2000  
Knoxville, Tennessee 37902  
Attention: Carey B. Parker

with copies to:

Gentry, Tipton & McLemore, PC  
900 S. Gay Street, Suite 2300  
Knoxville, Tennessee 37902  
Attention: Brian Blind

If to Landlord:

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

with copies to:

J Conkin Law PLLC  
108 E Main St Suite 202  
Kingsport, TN 37660  
Attention: Joel A. Conkin

**16. No Merger.** There shall be no merger of this Lease or the leasehold estate created by this Lease with the fee estate in or ownership of the Property or any interest therein by reason of the fact that the same person or entity may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest therein and fee estate in or ownership of the Property. No such merger shall occur unless and until HUD specifically consents and agrees in writing to such merger.

Each signatory below hereby certifies that each of their statements and representations contained in the Lease and this Lease Addendum and all their supporting documentation thereto are true, accurate, and complete. This Lease Addendum has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Addendum as of the day and year first written above.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF KINGSPORT, TENNESSEE

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

MODEL CITY III, L.P.,  
a Tennessee limited partnership

By: Model City III GP, LLC  
a Tennessee limited liability company,  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

46149807.2



		<u>Without PILOT</u>			<u>Estimated With PILOT</u>	
Assessment		\$2,421,600			Assessment	\$2,421,600
<b>Year</b>	<b>-</b>	<b>City Payment</b>	<b>County Payment</b>	<b>-</b>	<b>City Payment</b>	<b>County Payment</b>
<b>1</b>		\$48,391	\$58,269		\$49,906	\$60,094
<b>2</b>		\$48,391	\$58,269		\$50,360	\$60,640
<b>3</b>		\$48,391	\$58,269		\$50,814	\$61,186
<b>4</b>		\$48,391	\$58,269		\$51,267	\$61,733
<b>5</b>		\$48,391	\$58,269		\$51,721	\$62,279
<b>6</b>		\$48,391	\$58,269		\$52,175	\$62,825
<b>7</b>		\$48,391	\$58,269		\$52,629	\$63,371
<b>8</b>		\$48,391	\$58,269		\$53,082	\$63,918
<b>9</b>		\$48,391	\$58,269		\$53,536	\$64,464
<b>10</b>		\$48,391	\$58,269		\$53,990	\$65,010
<b>11</b>		\$48,391	\$58,269		\$54,443	\$65,557
<b>12</b>		\$48,391	\$58,269		\$54,897	\$66,103
<b>13</b>		\$48,391	\$58,269		\$55,351	\$66,649
<b>14</b>		\$48,391	\$58,269		\$55,804	\$67,196
<b>15</b>		\$48,391	\$58,269		\$56,258	\$67,742
<b>TOTAL</b>		<b>\$725,862</b>	<b>\$874,028</b>		<b>\$796,233</b>	<b>\$958,767</b>
<b>Combined</b>		<b>\$1,599,891</b>			<b>\$1,755,000</b>	



**AGENDA ACTION FORM**

**Consideration of a Resolution Rescinding Resolution Number 2025-105 and Amending an Economic Development Contribution Agreement to the Industrial Development Board of Kingsport and Authorizing One or More Agreements Pertaining to the Same**

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

Action Form No.: AF-347-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Steven Bower  
Presentation By: Chris McCartt

**Recommendation:**  
Approve the Resolution.

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

At various times this board has approved extensions of the loan, most recently at its December 5<sup>th</sup>, 2023 meeting through the adoption of Resolution No.: 2024-124 which extended the loan through December 20, 2024 at a fixed interest rate of 7.5%.

At the December 3<sup>rd</sup>, 2024 meeting the board voted again to extend the loan however, there were certain errors within the resolution which require correction. In actuality, the remainder of the existing loan in the amount of \$2,620,000 will be refinanced at a fixed interest rate of 4.09% for 72 months with Bank of Tennessee. To correct these errors and thereby eliminate any uncertainty or confusion this resolution rescinds Resolution No. 2025-105 adopted at the December 3<sup>rd</sup>, 2024 meeting with the accompanying resolution reciting the correct lender. As with the prior actions of the board, the resolution approves a contribution agreement which provides for the city to make the necessary payments should KEDB prove unable to make the necessary payments.

**Attachments:**  
1. Resolution  
2. Property Map

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X19.

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

A RESOLUTION RESCINDING RESOLUTION NO. 2025-105 AND APPROVING THE THIRD AMENDMENT TO THE ECONOMIC DEVELOPMENT CONTRIBUTION AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT AND THIS RESOLUTION

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

WHEREAS, the city and KEDB with First Horizon amended the agreement on December 1, 2020 (Resolution 2021-101) to extend the loan through December 31, 2023 and a second amendment was approved by the board on December 5, 2023 (Resolution 2024-124) which is set to expire on December 20, 2024; and

WHEREAS, KEDB solicited proposals for financing of the remaining indebtedness and at its December 3<sup>rd</sup>, 2024 meeting awarded the proposal of Bank of Tennessee the terms of which consisted of a 4.09% fixed interest rate loan for a 72 month term based on a principal sum of up to \$2,620,000.00; and

WHEREAS, at its December 3<sup>rd</sup>, 2024 meeting this board approved Resolution No. 2025-105 authorizing an amendment to the contribution agreement with KEDB authorizing contributions if needed, for the new loan; and

WHEREAS, Resolution No. 2025-105 contained certain inaccuracies with regards to the lender and the exact nature of the financing of the indebtedness and therefore to correct these errors and eliminate any confusion Resolution No. 2025-105 needs to be rescinded and a corrected third amendment to the contribution agreement needs to be approved.

Now therefore,

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

SECTION I. That the foregoing recitations are incorporated by reference as though fully set forth herein.

SECTION II. That Resolution No. 2025-105 is hereby rescinded and the actions authorized therein nullified and void.

SECTION III. That the Third Amendment to the Contribution Agreement with KEDB demonstrating city's financial support of the project in order for KEDB to secure a loan from Bank of Tennessee in an amount up to \$2,620,000 for a 72 month term at a fixed interest rate of 4.09% relative to the development at the property formerly owned by General Shale, Inc. is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Third Amendment to the Contribution Agreement with KEDB for property it owns formerly owned by General Shale Brick, Inc., to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

**THIRD AMENDMENT TO CONTRIBUTION AGREEMENT**

THIS THIRD AMENDMENT TO CONTRIBUTION AGREEMENT, dated as of December \_\_, 2024, is made by and between THE CITY OF KINGSPORT, TENNESSEE, a municipal corporation of the State of Tennessee ("City"), and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a corporation organized under T.C.A. § 7-53-101 et seq., commonly known as the "Kingsport Economic Development Board" ("KEDB").

RECITALS:

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

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

C. To assist KEDB in economic development, including the acquisition of the Property and the pursuit of the Project, the City entered into a Contribution Agreement dated December 20, 2013 whereby the City agreed to assist KEDB in economic development by making certain payments for up to seven years as economic development contributions to KEDB (the "Contribution Agreement").

D. The Acquisition and Development Loan matured on December 30, 2020 but has been extended on multiple occasions in part due to actions of the Board of Mayor and Aldermen demonstrating its support for the Project by authorizing agreements which provided for contributions to KEDB, if needed, which would be utilized by KEDB to repay the loan.

E. Once again the current loan is set to mature and KEDB solicited proposals from financial institutions to refinance the indebtedness. As a result, KEDB at its December 3<sup>rd</sup>, 2024, meeting awarded the proposal of Bank of Tennessee for a loan of up to \$2,620,000 at a fixed interest rate of 4.09% for 72 months.

F. The Board of Mayor and Aldermen of the City has adopted Resolution No. 2025-\_\_\_\_\_ whereby the City has committed to make certain payments to KEDB during calendar years 2025, 2026, 2027, 2028, 2029, and 2030 as continued economic development contributions to KEDB, for the Project as set out herein.

H. The parties desire to execute this Third Amendment to Contribution Agreement to satisfy the terms and conditions of the Resolution and the requirements of Bank of Tennessee.

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

1. Refinancing of Acquisition and Development Loan. The City hereby acknowledges and agrees that, pursuant to KEDB's award of the proposal submitted by Bank of Tennessee dated November 15<sup>th</sup>, 2024, Bank of Tennessee will provide a loan to finance development associated with the Project for a period of 72 months. Beginning December \_\_, 2024, interest will accrue at a fixed interest rate of 4.09% for 72 months, with all principal due and payable at maturity on December 30, 2030.

2. Contribution Commitments by the City of Kingsport. To support KEDB's acquisition and development of the Property and its ability to pay the debt service due under the Loan, City hereby agrees to provide to KEDB, as requested, semi-annual contributions of up to \$53,829 during calendar years 2025, 2026, 2027, 2028, and 2029 and semi-annual contributions of up to \$1,363,829 during calendar year 2030. Contributions made pursuant to this section shall be paid on or before June 1<sup>st</sup> and December 1<sup>st</sup> of each applicable calendar year. KEDB agrees to use such contributions to pay the interest payments due under the Loan. KEDB shall use all net proceeds realized from the sale of any portion of the Property to repay principal due under the Acquisition and Development Loan; provided, however, KEDB acknowledges that the City is not obligated to pay KEDB for the transfer

of a portion of the Property by KEDB to the City for recreational use (the exact boundaries and acreage of such recreational area to be mutually determined by KEDB and the City). KEDB shall use all net proceeds realized from the lease of all or any portion of the Property to pay the interest payments due under the Acquisition and Development Loan from time to time. In the event a principal balance remains outstanding under the Acquisition and Development Loan at maturity, the City shall either: (i) purchase the Property (or the balance of the Property) from KEDB for a purchase price equal to the outstanding principal balance and any accrued interest then owed on the Loan, or (ii) provide an economic development contribution to KEDB in an amount sufficient to pay the outstanding principal balance and any remaining accrued interest then owed on the Acquisition and Development Loan. In either event, KEDB shall use such funds to retire the remaining balance of the Acquisition and Development Loan in full. Notwithstanding any other provision herein, the City's obligation to make such economic development contributions shall terminate when the Acquisition and Development Loan is paid in full.

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

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

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

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

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

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

ADOPTED this the 17rd day of December, 2024.

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PAUL W. MONTGOMERY, MAYOR

ATTEST:

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY



**AGENDA ACTION FORM**

**Consideration of a Resolution Approving Renewal of Property Insurance for City Owned Buildings to Travelers Indemnity Company**

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

Action Form No.: AF- 214-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: December 17,2024  
Staff Work By: K Hodgson  
Presentation By: Bart Rowlett

**Recommendation:**

Approve the Resolution

**Executive Summary:**

The city’s property insurance coverage is provided by Travelers and covers all buildings owned by the City of Kingsport, including its schools, except for the Kingsport Aquatic Center which requires its own policy due to its colocation with the YMCA.

Travelers has proposed to renew the insurance for a premium of \$613,464.00.

The renewal premium reflects a 1.75% increase in the total insured value of property, from \$756,648,188.00 to \$769,862,367.00; and a rate increase per \$100 of insured value from .07 to .08. The combined valuation and rate increase result in a 16% premium increase from the 2024 premium of \$529,654.00, a difference of \$82,435.

**Attachments:**

- 1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION AUTHORIZING THE RENEWAL OF THE AGREEMENT WITH TRAVELERS INDEMNITY COMPANY FOR CITY OF KINGSPORT PROPERTY INSURANCE AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city would like to renew the agreement with Travelers Indemnity Company to provide specific insurance coverage for the city's property effective January 1, 2025, through December 31, 2025; and

WHEREAS, the valuation of the property that insured is \$769,862,367.00; and

WHEREAS, due to a hardening in the property insurance market, the rate for the premium from last year, which was \$.07, will increase to \$.08 per \$100.00 of covered value; and

WHEREAS, funding is available in the Risk Administration Operating Fund.

Now therefore,

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

SECTION I. That the renewal of the agreement with Travelers Indemnity Company to provide specific insurance coverage for the city's property insurance, effective January 1, 2025, through December 31, 2025, at the rate of \$.08 per \$100.00 is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the agreement with Travelers Indemnity Company to provide property insurance coverage for the city's property effective January 1, 2025, through December 31, 2025, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution.

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

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

ADOPTED this the 17th day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

Item X110.



APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY



**AGENDA ACTION FORM**

**Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Integrity Building Group, LLC Related to the Fieldcrest Phase 1**

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

Action Form No.: AF-332-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Garret Burton  
Presentation By: Ryan McReynolds

**Recommendation:**  
Approve the resolution.

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

Pursuant to this policy, Integrity Building Group, LLC has requested that the proposed Fieldcrest Phase 1, be allowed to participate in the materials agreement program. The total amount of the agreement is proposed at \$217,288.70 for a new development with 70 lots.

To date, including this development, the program has supported 1637 new/proposed lots within the City of Kingsport.

- Attachments:**
- 1. Resolution
  - 2. Agreement
  - 3. Cost Table
  - 4. Location Maps
  - 5. Development Chart

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Phillips	—	—	—
Mayes	—	—	—
Montgomery	—	—	—

Item X111.

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

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A MATERIALS AGREEMENT WITH INTEGRITY BUILDING GROUP, LLC RELATED TO THE FIELDCREST PHASE 1 DEVELOPMENT AND AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, Integrity Building Group, LLC would like to enter into a Materials Agreement for the provision of certain water and sewer materials by the city for the Fieldcrest Phase I Development, a 70 lot development; and

WHEREAS, the total amount of the agreement as proposed is \$217,288.70;

Now, therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, a Materials Agreement with Integrity Building Group, LLC to provide certain water and sewer materials by the city for Fieldcrest Phase 1 Development, in the amount of \$217,288.70 and the mayor is further authorized and directed to execute all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 17th day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

**MATERIALS AGREEMENT**

This AGREEMENT made and entered into on this 11th day of December, 2024, by and between Integrity Building Group, LLC hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

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

2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 2808 LFT of Waterline and 3458 LFT of Sanitary Sewer Line to construct.

3. The estimated cost of the materials listed in paragraph 2 above is approximately \$217,288.70. The Developer will purchase this material from the City for use for construction pursuant to this contract only.

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

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

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

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

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

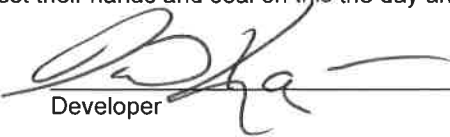
9. The Developer will pay the City for the materials listed above and supplied by the City, and upon completion of the laying of water and sewer lines according to specification of and the plans approved by the City, and upon the Developer fully performing all the requirements contained in this agreement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

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

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

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

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

  
\_\_\_\_\_  
Developer

\_\_\_\_\_  
Paul Montgomery, Mayor

Attest:

Approved as to form:

\_\_\_\_\_  
Angela Marshall, Deputy City Recorder

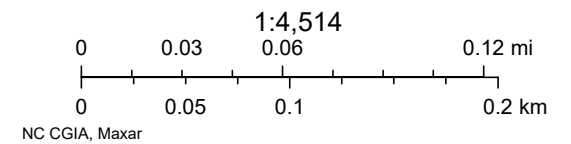
\_\_\_\_\_  
Rodney B. Rowlett, III, City Attorney

# ArcGIS Web Map



12/3/2024, 1:26:09 PM

- Streets
- Water Lines
- Active
- Sullivan County Parcels Dec 2023
- Parcels
- Kpt 911 Address



Item XI11.

# Materials Agreement

Project: Fieldcrest Phase 1  
 Date: December 3, 2024  
 Developer: Integrity Building Group, LLC

File No.: 2024-D16

Water Line		Anticipated		Estimated	
Item #	Item Description	Units	U/M	Price	Total
41810	6"x 18' D.I. Pipe	2.00	jt	\$444.60	\$889.20
41864	8" x 18' DI Pipe	154.00	jt	\$585.54	\$90,173.16
42120	4' bury hydrant	4.00	ea	\$3,200.00	\$12,800.00
42325	MJ Gate valve 6"	5.00	ea	\$852.00	\$4,260.00
43031	8x8x6 Anchor Tee	4.00	ea	\$204.00	\$816.00
42845	MJ Anchor coupling 6 x 18	4.00	ea	\$178.22	\$712.88
41794	8" plug w/2" tap	1.00	ea	\$100.12	\$100.12
42015	8x6 MJ Tee	1.00	ea	\$172.45	\$172.45
42149	8" DI sleeve w/2" tap	1.00	ea	\$193.95	\$193.95
42335	8" Gate Valve	5.00	ea	\$1,357.05	\$6,785.25
42100	8x8x8 MJ TEE	1.00	ea	\$208.32	\$208.32
Building Code					
	Receipt To:				
Subtotal:	<b>451-0000-208-1250</b>				\$117,111.33
Sales Tax:	<b>451-0000-207-0201</b>			9.50%	\$11,125.58
Project #	<b>WA2551</b>			Water Total:	\$128,236.91
	Expense To:				
Water Acct. #	<b>451-0000-605-9003</b>				



Item X111.





File No.	Developer	Development	Proposed Lots / Development	Agreement Amount	Date	Reimbursed to Developer	Status
2006-D23	Edinburgh Group, LLC	Edinburgh Phase IA, Section 1	32	\$ 42,867.62	2/19/2007	\$ 39,474.82	Closed
2006-D8	Jeff McKee	Settler's Ridge Phase I	41	\$ 45,344.29	3/20/2007	\$ 41,214.30	Closed
2006-D23	Edinburgh Group, LLC	Edinburgh Phase IA, Section 2	15	\$ 25,205.92	4/17/2007	\$ 23,273.53	Closed
2006-D19	Butch Rose	Hillcrest Heights	6	\$ 5,140.09	6/19/2007	\$ 4,636.74	Closed
2006-D19	Harold Slep & Jack McMurray	Villas at Andover - Polo Fields	104	\$ 76,522.72	8/7/2007	\$ 70,722.51	Closed
2006-D23	Jeff McKee	Settler's Ridge Phase II	7	\$ 18,822.89	11/6/2007	\$ 17,439.89	Closed
2008-D2	Butch Rose	Windridge Phase IV	40	\$ 92,202.29	4/15/2008	\$ 85,648.47	Closed
2007-D7	Jim Nottingham	Riverwatch	29	\$ 47,605.13	4/15/2008	\$ 44,680.99	Closed
2007-D26	George Hunt	Hunts Crossing Phase II	22	\$ 18,375.20	4/15/2008	\$ 16,883.63	Closed
2007-D16	Jerry Petzoldt	Old Island Phase II	59	\$ 118,027.86	5/6/2008	\$ 111,538.58	Closed
2007-D13	Rob McLean	Anchor Point	80	\$ 72,552.51	7/15/2008	\$ 66,603.46	Closed
2008-D1	Ken Bates	Chase Meadows Phase I (reim for 1)	15	\$ 39,418.91	7/15/2008	\$ 31,518.06	Closed
2007-D13	Rob McClean	Anchor Point – Topsail Court (incl in Anchor Point)	0	\$ 3,816.08	8/5/2008	\$ -	Closed
2008-D17	Rob McClean	Stapleton Dr Phase I	7	\$ 8,757.81	8/19/2008	\$ 8,203.18	Closed
-	Ken Bates	Chase Meadows Phase II (amt not paid)	87		8/19/2008	\$ -	Closed
2008-D21	Terry Orth	Autumn Woods Phase I	19	\$ 30,628.25	10/7/2008	\$ 28,588.47	Closed
2008-D10	Gary Alexander	Riverbend Phase I	15	\$ 32,767.17	2/3/2009	\$ 26,351.32	Closed
2009-D15	Terry Orth	Autumn Woods Phase II	51	\$ 97,091.46	9/1/2009	\$ 91,166.09	Closed
2010-D19	Edinburgh Group, LLC	Edinburgh Phase 2, Section 1A	6	\$ 2,852.48	2/2/2010	\$ 2,659.62	Closed
2009-D18	Leonard & Cynthia Gerber	St. Andrew's Garth Phase I	40	\$ 34,049.03	3/16/2010	\$ 30,938.04	Closed
2011-D5	Edinburgh Group, LLC	Edinburgh Phase 2, Section 2	6	\$ 11,976.02	11/16/2010	\$ 11,116.69	Closed
-	Gary Alexander	Riverbend - Epcn Phase II (tabled 1/10/11)	9		2/1/2011	\$ -	Closed
-	Jane Karst	Jane Karst Subdivision	4	\$ 4,100.78	9/20/2011	\$ 3,799.14	Closed
2010-D21	M & M Builders	Brookton Park Subdivision	7	\$ 2,145.88	9/20/2011	\$ 1,959.94	Closed
2011-D5	Edinburgh Group, LLC	Edinburgh Phase 2, Section 2B	11	\$ 9,472.85	10/18/2011	\$ 8,770.02	Closed
2011-D5	Edinburgh Group, LLC	Edinburgh Phase 2, Section 2C	14	\$ 20,128.29	4/3/2012	\$ 18,549.10	Closed
2012-D9	Edinburgh Group, LLC	Edinburgh Phase 2, Section 2E	8	\$ 25,177.34	10/2/2012	\$ 23,403.87	Closed
2012-D10	Edinburgh Group, LLC	Edinburgh Phase 2, Section 2F	9	\$ 19,382.60	5/7/2013	\$ 17,792.14	Closed
2012-D12	Edinburgh Group, LLC	Edinburgh Phase 4	17	\$ 65,033.97	7/24/2013	\$ 60,735.18	Closed
2008-D32	Vic Davis	The Summit at Preston Park Ph. 3	20	\$ 79,327.82	12/3/2013	\$ 70,967.77	Closed
2014-D15	Edinburgh Group, LLC	Edinburgh Phase V	12	\$ 51,965.42	10/7/2014	\$ 48,501.91	Closed
2014-D24	Edinburgh Group, LLC	Edinburgh Phase VII	20	\$ 27,552.51	6/2/2015	\$ 25,162.11	Closed
2016-D2	Edinburgh Group, LLC	Edinburgh Phase 9	6	\$ 5,917.93	5/5/2016	\$ 5,386.74	Closed
2016-D12	Edinburgh Group, LLC	Edinburgh South PH 2 (listed as PH1)	23	\$ 36,694.42	11/15/2016	\$ 33,722.81	Closed
2016-D7	Edinburgh Group, LLC	Edinburgh Phase 10	10	\$ 38,265.22	3/1/2017	\$ 34,953.21	Closed
2018-D3	Edinburgh Group, LLC	Edinburgh Phase 11	14	\$ 26,250.40	6/19/2018	\$ 23,984.14	Closed
2019-D5	Edinburgh Group, LLC	Edinburgh Phase 12	13	\$ 12,752.16	7/23/2019	\$ 11,619.92	Closed
2019-D18	Edinburgh Group, LLC	Gibson Springs PH1 (Edinburgh South PH3)	19	\$ 38,378.10	10/15/2019	\$ 35,631.30	Closed
2020-D19	Integrity Group	Miller Parke Phase 1	54	\$ 81,823.42	1/19/2020	\$ 73,989.19	Closed
2018-D17	School House, LLC	Cherokee Bend Phase 2	13	\$ 23,332.69	1/21/2020	\$ 21,177.45	Closed
2020-D7	Edinburgh Group, LLC	Gibson Springs Phase 2	24	\$ 28,924.56	5/5/2020	\$ 26,415.12	Closed
2020-D7	Edinburgh Group, LLC	Gibson Springs Phase 3	18	\$ 16,261.96	9/22/2020	\$ 14,851.10	Closed
2020-D23	Landstar, LLC	West Gate Phase 1	28	\$ 33,454.08	3/2/2021	\$ 30,551.67	Closed
2021-D1	Landstar, LLC	West Gate Phase 2	26	\$ 42,710.15	7/6/2021	\$ 39,026.03	Closed
2018-D10	Vic Davis	Frylee Court	40	\$ 39,320.60	8/10/2021	\$ 35,286.65	Closed
2021-D7	Orth Construction	Hunts Crossing Phase 1	22	\$ 39,751.16	8/10/2021	\$ 35,885.38	Closed
2021-D21	HVP, LLC	Caymus Yards	28	\$ 15,844.63	8/22/2021	\$ 14,362.93	Closed
2021-D15	Landstar, LLC	West Gate Phase 3	23	\$ 49,433.21	9/17/2021	\$ 45,709.99	Closed
2021-D5	Edinburgh Group, LLC	Evarts Valley (formerly Edinburgh Ph 6)	50	\$ 88,826.99	11/2/2021	\$ 78,968.39	Closed
2021-D7	Orth Construction	Hunts Crossing Phase 2	21	\$ 41,526.07	10/22/2021	\$ 37,898.13	Closed
2021-D7	Orth Construction	Hunts Crossing Phase 3	17	\$ 37,073.45	10/22/2021	\$ 33,742.02	Closed
2021-D22	Ken Bates	Magnolia Ridge Phase 1	41	\$ 110,747.35	12/21/2021	\$ 100,715.69	Closed
2021-D23	Integrity Building Group	Miller Parke Ph 2 (formerly Phase 3)	40	\$ 58,858.82	1/18/2022	\$ 52,384.53	Closed
2021-D25	Carla Karst	Cox Valley (Birdwell Place)	58	\$ 153,830.48	4/19/2022	\$ 139,078.33	Closed
2021-D32	TS Designs (Todd Stevens)	St. Andrews Garth Phase 2	25	\$ 41,312.60	2/3/2023	\$ 37,848.08	Closed
2021-D22	Magnolia Ridge Development, LLC	Magnolia Ridge Phase 2	51	\$ 47,936.03	9/13/2023	\$ 43,787.28	Closed
2023-D23	Landstar, LLC	Riverbend Townhomes	45	\$ 48,558.97	3/4/2024	\$ -	Open
2023-D28	JTB Construction	Lebanon Meadows	14	\$ 45,899.72	3/25/2024	\$ -	Open
2024-D4	Brickyard TN, LLC	Brickyard Village Phase 1	32	\$ 118,338.91	9/5/2024	\$ -	Open
2024-D16	Integrity Building Group, LLC	Fieldcrest Phase 1	70	\$ 217,288.70	12/11/2024	\$ -	Open

TOTAL

1,637 \$ 2,667,623.97

\$ 2,039,275.65

Item XI11.





**AGENDA ACTION FORM**

**Consideration of a Resolution to Approve a Mural in the B-2, Central Business District Zone**

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

Action Form No.: AF-327-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: December 17, 2024  
Staff Work By: Ken Weems  
Presentation By: K. Weems

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

The owner of 331 E Sullivan Street has requested approval for a new mural to be painted along the front sides of the building. The proposal conforms to zoning criteria for new murals in the B-2, Central Business District. Murals proposed in the B-2 zone require approval from the Board of Mayor and Aldermen.

**Attachments:**

1. Resolution
2. Mural proposal
3. Zoning analysis

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION APPROVING A MURAL FOR 331 E SULLIVAN STREET SITUATED IN THE B-2 CENTRAL BUSINESS DISTRICT

WHEREAS, the owner of 331 E Sullivan Street has requested approval for a new mural to be installed along the front sides of the building; and

WHEREAS, 331 E Sullivan Street is situated in the B-2 Central Business District, and pursuant to *Kingsport Code of Ordinances* § 114—194(g)(3) murals are not permitted in the B-2 District except as approved by the Board of Mayor and Alderman; and

WHEREAS, the proposed work has been analyzed by staff against the criteria for a mural set forth in *Kingsport Code of Ordinances* §114-1 and deemed to meet the criteria.

Now therefore,

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

SECTION I. That the proposed mural to be painted along the front of the building located at 331 E Sullivan Street is approved.

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 December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

331 E Sullivan Street Mural Proposal  
Western External Wall (14'x5')

Western External Wall  
Mural Location



Proposed Design:



331 E Sullivan Street Mural Proposal  
Eastern External Wall (7'x5')



Eastern External Wall  
Mural Location

Proposed Design:





Zoning Analysis of the Mural Proposal for 331 E Sullivan Street

Zoning criteria for new murals in the B-2, Central Business District, are found in the definition of a mural that resides the City's zoning code. Murals in the B-2 zone are required to be placed on a wall and must not contain references to the premises or to the products and/or service offered for sale on the premises.

It is staff's opinion that the proposed mural, shown below, meets the criteria to be painted on the front side walls of 331 E Sullivan St. The proposal is for both external side walls of 331 E. Sullivan Street to have a mural. The dimensions are shown below. The artist is Ashley Madden.

Northwest side wall: 14' x 5'



Southeast side wall: 7' x 5'



Zoning Map:





**AGENDA ACTION FORM**

**Consideration of a Resolution to Extend the Agreement between the City of Kingsport and Frist Horizon Bank for an Additional Three Year Period**

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

Action Form No.: AF-351 -2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Lisa Winkle  
Presentation By: Lisa Winkle

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

First Horizon provides various services to the City of Kingsport beyond traditional banking. These services include lockbox processing for mailed utility payments, lockbox and IVR payment processing for red light camera ticket payments, check and ACH positive pay to prevent fraud, various credit card programs, remote deposit capture for checks received and provisional credit for cash deposits to our new Loomis Recycle Safe. The Earnings Credit we receive on the Treasurer’s checking account pays for these banking services.

Our agreement with First Horizon will expire December 31, 2024. First Horizon is willing to extend our current agreement for an additional three years.

Staff has been very satisfied with the quality of services provided by First Horizon and recommends extending our agreement for another three years until December 31, 2027.

**Attachments:**

- 1. Resolution
- 2. First Horizon Letter

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION APPROVING A THIRD AMENDMENT TO THE AGREEMENT WITH FIRST HORIZON BANK TO EXTEND THE TERM OF THE AGREEMENT; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, in January, 2014, the board approved a resolution authorizing the mayor to sign an agreement with First Horizon Bank, (formerly known as First Tennessee Bank National Association) for various financial services; and

WHEREAS, the initial term of the agreement was for five years, with two optional extensions of three years each; and

WHEREAS, the city would like to renew the agreement beginning January 1, 2025 through December 31, 2027 as the third renewal.

Now therefore,

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

SECTION I. That the third amendment to the agreement with First Horizon Bank, for various financial services for the period of beginning January 1, 2025 through December 31, 2027.

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, a third amendment to the agreement with First Horizon Bank for various financial services for the period beginning January 1, 2025 through December 31, 2027, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

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 December, 2024

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY



December 6<sup>th</sup>, 2024

Ms. Lisa Winkle, Treasurer  
City of Kingsport  
415 Broad St.  
Kingsport, TN 37660

Dear Lisa,

First Horizon is honored to have served the banking needs of the City of Kingsport now for over 46 years. We are grateful for the confidence you have placed in us, and for the solid foundation we have built together to serve the citizens of Kingsport.

As the needs of the City of Kingsport have evolved, First Horizon has risen to meet those needs, providing additional tools and resources necessary to modernize the City's treasury services. Chief among those include the recent installation and launch of the City's Remote Cash Deposit service at Bays Mountain, the Aquatic Center, and City Hall. This service, solely through our partnership with Loomis, allows for the provisional credit of deposits made via the City's leased or purchased safes/recyclers located on your premise. Not only does the quicker provisional credit allow the City to take advantage of float opportunities, but the removal of the need to take funds to the Banking Center transfers the risk of transporting currency from City Employees to the Courier service. This in turn frees up Police staff from having to escort the employees making the daily banking deposits, freeing Police resources for their primary responsibilities.

In addition, First Horizon continues to offer robust services designed to improve the City's cash cycle and leverage technology investments we have made at the Bank for the City's benefit – services such as Wholesale and Retail Lockbox, Electronic Bill Payment services, Remote Deposit Scanners for checks, Positive Pay with Name Verification, and many other Cash Management Solutions. Kingsport also takes advantage of First Horizon's Purchasing Card Program for the City's Operations, Procurement Operations, and Fuel expenditures. By moving expenditures to this card program, Kingsport leverages best-in-class technology to reduce unnecessary expenses, mitigate card fraud, and provide spend management capabilities, while also providing administrative tools to city employees to run these programs efficiently.

First Horizon is committed to offering local, dedicated and experienced experts to oversee the City's relationship. We believe the key to any successful relationship hinges on providing a

First Horizon Bank  
423-378-7068  
JGPerdue@FirstHorizon.com  
[www.firsthorizon.com](http://www.firsthorizon.com)

differentiated customer experience, and First Horizon has continued to prove that over many decades of dedicated service to Kingsport. Given the exclusive local nature of certain First

Horizon tools and resources the City now uses, in addition to our existing strong ties, we believe that it is in both parties' best interest to continue our relationship. We value our partnership with the City of Kingsport, and this letter serves as our formal request to continue providing that service to the City for an additional three-year renewal period through 12/31/27.

First Horizon commits to annual products and services reviews to make sure that Kingsport is taking full advantage of the latest technology developments available to them. Per your request we are also pricing the money market account at Fed Funds Upper minus 125 basis points (currently equal to 3.50%) so the City can earn additional interest on shorter-term funds not invested in the LGIP, subject to certain limits we can discuss at your convenience.

Should you need anything further, please reach out at your earliest convenience. It is our earnest hope that we can continue our relationship for years to come.

Sincerely,



Greg Perdue  
Tri-Cities Market President

JGP/mo



**AGENDA ACTION FORM**

**Consideration of a Resolution to Approve Supplemental Design Services for the Kingsport Public Library Renovation Project**

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

Action Form No.: AF-287-2024  
Work Session: December 16, 2024  
First Reading: N/A  
Final Adoption: December 17, 2024  
Staff Work By: Michael T. Borders  
Presentation By: Michael T. Borders

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

If approved the city will approve supplemental design services from Cain Rash West Architects (CRW) in the amount of \$18,000 for the Kingsport Public Library (KPL) Renovation Project.

Working internally with various city department the decision was made to include Information Technology, Audio Visual, and Public Announcement systems as part of the base bid of the library renovation project. This decision was made with the goal of eliminating coordination issues from multiple contractors and streamlining the process through the general contractor.

In July of 2024 KPL applied for a Connected Community Facility Grant through the Tennessee Department of Economic and Community Development in the amount of \$2 million. The Library was successful in their application. After the grant award announcement, the library team made the decision to add the rebuild of the parking lot between Shelby and W. New St. as an add alternate to the project. With the layout renovated library we anticipate additional demand for KPL's New St. entrance. The rebuild of the parking lot is ideal to ensure we deliver an exceptional patron experience.

With the addition of scope, it has necessitated additional design work which is outside of CRW's original agreement which was approved on October 18, 2022 in the amount of \$246,400.

The total amount for the additional design services is \$18,000.

Funding is available in GP2300.

**Attachments:**

- 1. Resolution
- 2. Proposal

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X114.

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

A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH CAIN RASH WEST FOR THE KINGSPORT PUBLIC LIBRARY RENOVATION PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, on October 18, 2022, (Res. No. 2023-090), the city entered into an agreement with Cain Rash West (CRW) to provide architectural services for the Kingsport Public Library Renovation Project; and

WHEREAS, the administration recommends amending the agreement with Cain Rash West Architects to add design work associated with the rebuild of the parking lot between Shelby and W. New Street as an add alternate to the project in the amount of \$18,000.00; and

WHEREAS, this addition was made feasible as a result of funds received through the award of a Connected Community Facility Grant through the Tennessee Department of Economic and Community Development and will accommodate anticipated additional demand for services at the library; and

WHEREAS, funding is available in GP2300.

Now therefore,

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

SECTION I. That an amendment to the agreement with Cain Rash West (CRW) to add design services for the rebuild of the parking lot between Shelby and W. New Street for the Kingsport Public Library Renovation Project, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an amendment to the agreement with Cain Rash West to add design services for the rebuild of the parking lot between Shelby and W. New Street for the Kingsport Public Library Renovation Project, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

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

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

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

ADOPTED this the 17th day of December. 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B ROWLETT, III, CITY ATTORNEY

December 13, 2024

Mr. Michael T. Borders  
Assistant City Manager  
City of Kingsport  
415 Broad Street  
Kingsport, TN 37660

**Re: Additional Architectural Services for: City of Kingsport – Kingsport Public Library**

Dear Mr. Borders,

Thank you for the opportunity to provide a fee proposal for Architectural Services for the City of Kingsport and the Kingsport Public Library. We acknowledge and appreciate the continued opportunities to serve the City. Our understanding of the additional project scope is based on our in-person meetings with you and library staff. The scope of work will be incorporated into our current scope of services currently in design for the Kingsport Public Library.

*Our Additional Scopes of Work Include the Following:*

- **Provide Civil and Architectural Design services for the reconstruction of the existing parking lot at the existing Kingsport Public Library site.**
  - The scope of work shall include a full demolition and reconstruction of the existing parking lot. This shall include ADA compliant parking within the area of work.
  - Scope anticipates existing site lighting to be reused/remain.
- **IT Design Scope.**
  - CRW Architects and Jim Blaser, P.E. to coordinate with City IT and Library Staff to determine IT needs.
  - Scope includes but is not limited to security cameras, ethernet drops, wireless access points, Paxton control units, switches, patch panels, racking, etc.
  - Documents will be suitable for permitting, bidding, and construction.
  - Project documents shall be “fast-tracked” to accommodate current schedule.
- **AV Design Scope**
  - CRW Architects and FiberConNext to coordinate with City IT and Library Staff to determine IT needs.
  - Scope includes but is not limited to projectors, screens, microphones, speakers, wall mounts, cabling, connectors, etc.
  - Documents will be suitable for permitting, bidding, and construction.
  - Project documents shall be “fast-tracked” to accommodate current schedule.

- **PA System Design Scope**
  - CRW Architects and FiberConNext to coordinate with City IT and Library Staff to determine IT needs.
  - Scope includes but is not limited to an IP based Paging system designed to include speaker placement, cable requirements, network requirements, etc.
  - Documents will be suitable for permitting, bidding, and construction.
  - Project documents shall be “fast-tracked” to accommodate current schedule.

**CRW Fee:**

Additional Parking Lot Scope	Lump Sum Amount	= \$3,500
IT Design Scope	Lump Sum Amount	= \$8,500
AV Design Scope	Lump Sum Amount	= \$3,500
PA System Design Scope	Lump Sum Amount	= \$2,500
<b>Total Lump Sum Fee</b>		<b>= \$18,000.00</b>

We would be able to begin the documentation phase of work immediately upon receipt of the executed agreement from City Purchasing. Billing will occur monthly at the end of each phase. Owner has the right to terminate agreement at any time but will pay for services rendered. Feel free to contact me with any questions at 423.349.7760.

Best regards,



Clinton D. Roberts, AIA, NCARB  
*Cain Rash West Architects*



**AGENDA ACTION FORM**

**Consideration of a Resolution to Authorize the Mayor to Renew a Lease Agreement with Congresswoman Diana Harshbarger for Office Space at the Kingsport Center for Higher Education**

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

Action Form No.: AF-331-2024  
Work Session: December 16, 2024  
First Reading: n/a  
Final Adoption: December 17, 2024  
Staff Work By: Jessica Harmon  
Presentation By: Jessica Harmon

**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, the current lease for the office space in the Higher Education Center used by Congresswoman Diana Harshbarger will be renewed. When the Kingsport Center for Higher Education was planned and constructed, a small space was set aside for lease to an external user. The space has a separate external entrance and parking (as well as internal access).

This office space has been a consistent Congressional Office Location in Kingsport since the Higher Education Center was built. The Congresswoman believes that keeping a consistent location is important for the constituents that she serves.

The attached lease agreement and resolution provide for the Congresswoman to lease the space from the City of Kingsport for a sum of \$22,248 per year (or \$1,854/month) for two years. This rate is the same that was executed in the previous lease agreement with Congresswoman Harshbarger. Northeast State has agreed to continue providing custodial services and general facilities maintenance for the office as part of its overall agreement to provide service to the entire Kingsport Center for Higher Education. There is no additional charge for this service.

**Attachments:**  
1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



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

A RESOLUTION APPROVING A DISTRICT OFFICE LEASE AGREEMENT WITH CONGRESSWOMAN DIANA HARSHBARGER FOR DISTRICT OFFICE SPACE AT THE KINGSPORT CENTER FOR HIGHER EDUCATION; AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE AGREEMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, beginning in 2013 the board approved a lease agreement with then Congressman Phil Roe for office space at the Kingsport Center for Higher Education; and

WHEREAS, Congresswoman Diana Harshbarger has leased the space for the last 4 years, and would like to continue to lease it for an additional 2 years, so that the expiration date will be January 2, 2027; and

WHEREAS, the rent remains \$1,854.00 per month.

Now therefore,

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

SECTION I. That a lease agreement for district office space with Congresswoman Diana Harshbarger at the Kingsport Center for Higher Education for a two-year term is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an agreement for district office space leased by Congresswoman Diana Harshbarger at the Kingsport Center for Higher Education for a two year term, and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said agreement being generally as follows:

*U.S. House of Representatives*  
Washington, D.C. 20515  
**District Office Lease Agreement**

Pursuant to 2 U.S.C.A. § 4313, and the Regulations of the Committee on House Administration (as modified from time to time by Committee Order) relating to office space in home districts, City of Kingsport, 415 Broad Street, Kingsport, TN, 37660

(Landlord's name) (Landlord's street address, city, state, ZIP code)  
("Lessor"), and Congresswoman Diana Harshbarger, a Member/Member-Elect of the U.S. House of Representatives ("Lessee"), agree as follows:

1. **Location.** Lessor shall lease to Lessee 1,272 square feet of office space located at 205 Revere Street in the city, state and ZIP code of Kingsport, TN, 37660.  
(Office city, state and ZIP)

2. **Lease Amenities.** Lessee shall be entitled to receive and Lessor shall be required to provide the amenities selected in Section A of the District Office Lease Attachment ("Attachment") accompanying this Lease.

3. **Term.** Lessee shall have and hold the leased premises for the period beginning January 3, 2025 and ending January 2, 2027. The term of this District Office Lease ("Lease") may not exceed two (2) years and may not extend beyond January 2, 2025, which is the end of the constitutional term of

the Congress to which the Member is elected.

**4. Rent.** The monthly rent shall be \$1,854, and is payable in arrears on or before the last day of each calendar month. Rent payable under this Lease shall be prorated on a daily basis for any fraction of a month of occupancy.

**5. Early Termination.** This Lease may be terminated by either party giving 30 days' prior written notice to the other party. The commencement date of such termination notice shall be the date such notice is delivered or, if mailed, the date such notice is postmarked.

**6. Payments.** During the term of this Lease, rent payments under Section 4 of this Lease shall be remitted to the Lessor by the Chief Administrative Officer of the U.S. House of Representatives (the "CAO") on behalf of the Lessee.

**7. District Office Lease Attachment for 118th Congress.** The District Office Lease Attachment attached hereto is incorporated herein by reference, and this Lease shall have no force or effect unless and until accompanied by an executed District Office Lease Attachment for the 118th Congress.

**8. Counterparts.** This Lease may be executed in any number of counterparts and by facsimile copy, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument.

**9. Section Headings.** The section headings of this Lease are for convenience of reference only and shall not be deemed to limit or affect any of the provisions hereof.

**10. Modifications.** Any amendments, additions or modifications to this Lease inconsistent with Sections 1 through 9 above shall have no force or effect to the extent of such inconsistency.

**11. Other.** Additionally, the Lessor and the Lessee agree to the following:

IN WITNESS WHEREOF, the parties have duly executed this District Office Lease as of the later date written below by the Lessor or the Lessee.

*U.S. House of Representatives*

Washington, D.C. 20515

**District Office Lease Attachment  
(Additional Terms and Conditions)  
(Additional Lease Terms)**

**1. Incorporated District Office Lease Attachment.** Lessor (Landlord) and Lessee (Member/Member-elect of the U.S. House of Representatives) agree that this District Office Lease Attachment ("Attachment") is incorporated into and made part of the Lease ("Lease") and, if applicable, District Office Lease Amendment ("Amendment") to which it is attached.

**2. Performance.** Lessor expressly acknowledges that neither the U.S. House of Representatives (the "House") nor its Officers are liable for the performance of the Lease. Lessor further expressly acknowledges that payments made by the Chief Administrative Officer of the House (the "CAO") to Lessor to satisfy Lessee's rent obligations under the Lease – which payments are made solely on behalf of Lessee in support of his/her official and representational duties as a Member of the House – shall create no legal obligation or liability on the part of the CAO or the House whatsoever. Lessee shall be solely responsible for the performance of the Lease and Lessor expressly agrees to look solely to Lessee for such performance.

**3. Modifications.** Any amendment to the Lease must be in writing and signed by the Lessor and Lessee. Lessor and Lessee also understand and acknowledge that the Administrative Counsel for the CAO ("Administrative Counsel") must review and give approval of any amendment to the Lease prior to its execution.

**4. Compliance with House Rules and Regulations.** Lessor and Lessee understand and acknowledge that the Lease shall not be valid, and the CAO will not authorize the disbursement of funds to the Lessor, until Administrative Counsel has reviewed the Lease to determine that it complies with the Rules of the House and the Regulations of the Committee on House Administration, and approved the Lease by signing the last page of this Attachment.

**5. Payments.** The Lease is a fixed term lease with monthly installments for which payment is due in arrears on or before the end of each calendar month. In the event of a payment dispute, Lessor agrees to contact the Office of Finance, U.S. House of Representatives, at 202-225-7474 to attempt to resolve the dispute before contacting Lessee.

**6. Void Provisions.** Any provision in the Lease purporting to require the payment of a security deposit shall have no force or effect. Furthermore, any provision in the Lease purporting to vary the dollar amount of the rent specified in the Lease by any cost of living clause, operating expense clause, pro rata expense clause, escalation clause, or any other adjustment or measure during the term of the Lease shall have no force or effect.

**7. Certain Charges.** The parties agree that any charge for default, early termination or cancellation of the Lease which results from actions taken by or on behalf of the Lessee shall be the

sole responsibility of the Lessee and shall not be paid by the CAO on behalf of the Lessee.

**8. Death, Resignation or Removal.** In the event Lessee dies, resigns or is removed from office during the term of the Lease, the Clerk of the House may, at his or her sole option, either: (a) terminate the Lease by giving thirty (30) days' prior written notice to Lessor; or (b) assume the obligation of the Lease and continue to occupy the premises for a period not to exceed sixty (60) days following the certification of the election of the Lessee's successor. In the event the Clerk elects to terminate the Lease, the commencement date of such thirty (30) day termination notice shall be the date such notice is delivered to the Lessor or, if mailed, the date on which such notice is postmarked.

**9. Term.** The term of the Lease may not exceed the constitutional term of the Congress to which the Lessee has been elected. The Lease may be signed by the Member-elect before taking office. Should the Member-elect not take office to serve as a Member of the 118th Congress, the Lease will be considered null and void.

**10. Early Termination.** If either Lessor or Lessee terminates the Lease under the terms of the Lease, the terminating party agrees to promptly file a copy of any termination notice with the Office of Finance, U.S. House of Representatives, Attn: Kellie Wilson, via e-mail at [FCLeasePayments@mail.house.gov](mailto:FCLeasePayments@mail.house.gov), and with the Administrative Counsel by e-mail at [leases@mail.house.gov](mailto:leases@mail.house.gov).

**11. Assignments.** Lessor shall provide thirty (30) days prior written notice to Lessee before assigning any of its rights, interests or obligations under the Lease, in whole or in part, by operation of law or otherwise. Lessor shall promptly file a copy of any such assignment notice with Administrative Counsel by e-mail at [leases@mail.house.gov](mailto:leases@mail.house.gov). Lessee and the House shall not be responsible for any misdirected payments resulting from Lessor's failure to file an assignment notice in accordance with this section.

**12. Sale or Transfer of Leased Premises.** Lessor shall provide thirty (30) days prior written notice to Lessee in the event (a) of any sale to a third party of any part of the leased premises, or (b) Lessor transfers or otherwise disposes of any of the leased premises, and provide documentation evidencing such sale or transfer in such notice. Lessor shall promptly file a copy of any such sale or transfer notice with Administrative Counsel by e-mail at [leases@mail.house.gov](mailto:leases@mail.house.gov).

**13. Bankruptcy and Foreclosure.** In the event (a) Lessor is placed in bankruptcy proceedings (whether voluntarily or involuntarily), (b) the leased premises is foreclosed upon, or (c) of any similar occurrence, Lessor agrees to promptly notify Lessee in writing. Lessor shall also promptly file a copy of any such notice via e-mail with the Office of Finance, U.S. House of Representatives, Attn: Kellie Wilson, via e-mail at [FCLeasePayments@mail.house.gov](mailto:FCLeasePayments@mail.house.gov), and with Administrative Counsel by e-mail at [leases@mail.house.gov](mailto:leases@mail.house.gov).

**14. Estoppel Certificates.** Lessee agrees to sign an estoppel certificate relating to the leased premises (usually used in instances when the Lessor is selling or refinancing the building) upon the request of the Lessor. Such an estoppel certificate shall require the review of Administrative Counsel, prior to Lessee signing the estoppel certificate. Lessor shall promptly provide a copy of any such estoppel certificate to Administrative Counsel by e-mail at [leases@mail.house.gov](mailto:leases@mail.house.gov).

**15. Maintenance of Common Areas.** Lessor agrees to maintain in good order, at its sole expense, all public and common areas of the building including, but not limited to, all sidewalks, parking areas, lobbies, elevators, escalators, entryways, exits, alleys and other like areas.

**16. Maintenance of Structural Components.** Lessor also agrees to maintain in good order, repair or replace as needed, at its sole expense, all structural and other components of the premises including, but not limited to, roofs, ceilings, walls (interior and exterior), floors, windows, doors, foundations, fixtures, and all mechanical, plumbing, electrical and air conditioning/heating systems or equipment (including window air conditioning units provided by the Lessor) serving the premises.

**17. Lessor Liability for Failure to Maintain.** Lessor shall be liable for any damage, either to persons or property, sustained by Lessee or any of his or her employees or guests, caused by Lessor's failure to fulfill its obligations under [Sections 15 and 16](#).

**18. Initial Alterations.** Lessor shall make any initial alterations to the leased premises, as requested by Lessee and subject to Lessor's consent, which shall not be unreasonably withheld. The cost of such initial alterations shall be included in the annual rental rate.

**19. Federal Tort Claims Act.** Lessor agrees that the Federal Tort Claims Act, 28 U.S.C. §§ 2671-80, satisfies any and all obligations on the part of the Lessee to purchase private liability insurance. Lessee shall not be required to provide any certificates of insurance to Lessor.

**20. Limitation of Liability.** Lessor agrees that neither Lessee nor the House nor any of the House's officers or employees will indemnify or hold harmless Lessor against any liability of Lessor to any third party that may arise during or as a result of the Lease or Lessee's tenancy.

**21. Compliance with Laws.** Lessor shall be solely responsible for complying with all applicable permitting and zoning ordinances or requirements, and with all local and state building codes, safety

codes and handicap accessibility codes (including the Americans with Disabilities Act), both in the common areas of the building and the leased space of the Lessee.

**22. Electronic Funds Transfer.** Lessor agrees to accept monthly rent payments by Electronic Funds Transfer and agrees to provide the Office of Finance, U.S. House of Representatives, with all banking information necessary to facilitate such payments.

**23. Refunds.** Lessor shall promptly refund to the CAO, without formal demand, any payment made to the Lessor by the CAO for any period for which rent is not owed because the Lease has ended or been terminated.

**24. Conflict.** Should any provision of this Attachment be inconsistent with any provision of the attached Lease or attached Amendment, the provisions of this Attachment shall control, and those inconsistent provisions of the Lease or the Amendment shall have no force and effect to the extent of such inconsistency.

**25. Construction.** Unless the clear meaning requires otherwise, words of feminine, masculine or neuter gender include all other genders and, wherever appropriate, words in the singular include the plural and vice versa.

**26. Fair Market Value.** The Lease or Amendment is entered into at fair market value as the result of a bona fide, arms-length, marketplace transaction. The Lessor and Lessee certify that the parties are not relatives nor have had, or continue to have, a professional or legal relationship (except as a landlord and tenant).

**27. District Certification.** The Lessee certifies that the office space that is the subject of the Lease is located within the district the Lessee was elected to represent unless otherwise authorized by Regulations of the Committee on House Administration.

**28. Counterparts.** This Attachment may be executed in any number of counterparts and by facsimile copy, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument.

**29. Section Headings.** The section headings of this Attachment are for convenience of reference only and shall not be deemed to limit or affect any of the provisions hereof.

IN WITNESS WHEREOF, the parties have duly executed this District Office Lease Attachment as of the later date written below by the Lessor or the Lessee.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

ADOPTED this the 17th day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



**AGENDA ACTION FORM**

**Consideration of a Resolution Ratifying an Application for the Public Entity Partners 2024-2025 Cyber Security Matching Grant Program, Approving Receipt of Any Awarded Funds and Authorizing the Mayor to Sign all Necessary and Proper Documents**

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

Action Form No.: AF-335-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: December 17, 2024  
Staff Work By: Kristen Hodgson  
Presentation By: Bart Rowlett

**Recommendation:**

Approve the Resolution

**Executive Summary:**

The city has applied for the Cyber Security Matching Grant Program through Public Entity Partners to be used for purchasing cyber security tools. The application was submitted December 2, 2024, the application deadline is December 20, 2024.

The proposed use of the funds is to purchase Malwarebytes Threat Down licenses to protect the city's critical server infrastructure and core systems.

The city is eligible to receive up to \$1,500 in matching funds. Funds are available in the Information Technology budget.

**Attachments:**

- 1. Resolution

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION TO RATIFY AN APPLICATION FOR A 2024-2025 CYBER SECURITY GRANT THROUGH PUBLIC ENTITY PARTNERS, APPROVING RECEIPT OF THE GRANT FUNDS IF AWARDED AND AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO RECEIVE THE GRANT

WHEREAS, the city, through the Kingsport Information Technology Department and Risk Management Department, applied for a 2024-2025 Cyber Security Grant from Public Entity Partners (PEP); and

WHEREAS, if awarded, the grant funds will be used to purchase Malwarebytes Threat Down licenses to protect the city's critical server infrastructure and core systems; and

WHEREAS, the grant is in the amount of \$1,500.00, with matching funds required in the amount of \$1,500.00 and those funds are available in the Information Technology budget.

Now therefore,

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

SECTION I. That the application submitted on December 2, 2024, for the 2024-2025 Cyber Security Grant from PEP, in an amount of \$1,500.00, is ratified.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to receive the 2024-2025 Cyber Security Grant from PEP in the amount of \$1,500.00, to deliver the documents and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the application and this resolution.

SECTION III. That the mayor is authorized to execute any and all documents including those necessary and proper to demonstrate the city's compliance with the grant requirements or its provisions necessary to effectuate the purpose of the grant or this resolution.

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

ADOPTED this the 17th day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



**AGENDA ACTION FORM**

**Consideration of a Resolution of Formal Acceptance of Deeds and Deeds of Easement**

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

Action Form No.: AF-340-2024  
Work Session: December 16, 2024  
First Reading: December 17, 2024  
Final Adoption: December 17, 2024  
Staff Work By: R. Trent  
Presentation By: B. Rowlett

**Recommendation:**  
Approve the Resolution.

**Executive Summary:**  
This resolution constitutes formal acceptance by the board of deeds and deeds of easement whereby real property or interests in real property were acquired for various city projects located in the 11<sup>th</sup> and 12<sup>th</sup> Civil Districts of Sullivan County, Tennessee. A detailed listing of the deeds and deeds of easement is provided as an exhibit to the resolution and incorporated therein by reference.

**Attachments:**  
1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Phillips	—	—	—
Mayes	—	—	—
Montgomery	—	—	—

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

A RESOLUTION TO ACCEPT DEEDS, DEEDS OF EASEMENT, AND OTHER MUNIMENT OF TITLE FROM THE VARIOUS PROPERTY OWNERS AND OTHERS HAVING AN INTEREST IN PROPERTY AS HEREINAFTER SET OUT, CONVEYING TO THE CITY OF KINGSPORT, A MUNICIPAL CORPORATION OF THE STATE OF TENNESSEE, TITLE TO THE PROPERTY DESCRIBED IN SUCH DEEDS, DEEDS OF EASEMENT, AND OTHER MUNIMENT OF TITLE, LOCATED IN THE 11<sup>TH</sup> AND 12<sup>TH</sup> CIVIL DISTRICTS OF SULLIVAN COUNTY, TENNESSEE

WHEREAS, the city accepts deeds and deeds of easement from the various property owners conveying to the city title to or interests in real property.

WHEREAS, the city desires to formally accept from various property owners deeds and deeds of easement located in the 11<sup>th</sup> and 12<sup>th</sup> Civil Districts of Sullivan County, Tennessee, described in Exhibit "A", the descriptions of such property being more specifically set out in said instruments hereinafter referred to, and which have been made a part of this resolution by reference, as fully as though copied verbatim herein.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. That the Board of Mayor and Aldermen accept the deeds and deeds of easement from the various property owners which convey to the city title to the properties located in the 11<sup>th</sup> and 12<sup>th</sup> Civil Districts of Sullivan County, Tennessee, and described in Exhibit "A", the descriptions of such property being more specifically set out in said instruments hereinafter referred to, and which have been made a part of this resolution by reference, as fully as though copied verbatim herein.

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

ADOPTED this the 17th day of December, 2024.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

Item XII2.



EXHIBIT A TO RESOLUTION NO. \_\_\_\_\_

Sullivan County Civil District 11<sup>th</sup>, 12<sup>th</sup>

Deed of Easement across the Mark S. Hanor and Robert M. Brents property dated July 12, 2023 from Mark S. Hanor and Robert M. Brents to the City of Kingsport, Tennessee, for the amount of \$12,675.00 and recorded in Deed Book 3572 at page 701 in the Register's Office for Sullivan County at Blountville, Tennessee.

Deed of Easement across the Jessica LaFollette and Eric LaFollette property dated July 20, 2023 from Jessica LaFollette and Eric LaFollette to the City of Kingsport, Tennessee, for the amount of \$977.00 and recorded in Deed Book 3572 at page 698 in the Register's Office for Sullivan County at Blountville, Tennessee.

Deed of Easement across the Jeff Graybeal property dated August 11, 2023 from Jeff Graybeal to the City of Kingsport, Tennessee, for the amount of \$1,218.00 and recorded in Deed Book 3572 at page 704 in the Register's Office for Sullivan County at Blountville, Tennessee.

Deed of Easement across the Michael Griffith property dated August 28, 2023 from Michael Griffith to the City of Kingsport, Tennessee, for the amount of \$482.00 and recorded in Deed Book 3572 at page 690 in the Register's Office for Sullivan County at Blountville, Tennessee.

Deed of Easement across the Katie L. Buchtman property dated October 5, 2023 from Katie L. Buchtman to the City of Kingsport, Tennessee, for the amount of \$1,642.00 and recorded in Deed Book 3579 at page 1804 in the Register's Office for Sullivan County at Blountville, Tennessee.

Deed for the Kent & Sharon Anderson property dated January 24, 2024 from Kent & Sharon Anderson to the City of Kingsport, Tennessee, for the amount of \$400,000.00 and recorded in Deed Book 3590 at page 659 in the Register's Office for Sullivan County at Blountville, Tennessee.

Deed of Easement across the Steve Linkous, David D. Wolfe and Herbert D. Wolfe property dated November 28, 2023, from Steve Linkous, David D. Wolfe and Herbert D. Wolfe to the City of Kingsport, Tennessee, for the amount of \$541.00 and recorded in Deed Book 3605 at page 1615 in the Register's Office for Sullivan County at Blountville, Tennessee.

Final Order on the Wilmer Carlton Mull, Jr., Margaret E. Mull and Pamela G. Mull property dated April 29, 2024, to the City of Kingsport, Tennessee, for the amount of \$1,090.00 and recorded in Deed Book 3605 at page 1610 in the Register's Office for Sullivan County at Blountville, Tennessee.



**AGENDA ACTION FORM**

**Consideration of a Resolution to Accept a Private Monetary Donation from the Encounter for the Kingsport Police Department**

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

Action Form No.: AF-343-2024  
Work Session: December 16, 2024  
First Reading: N/A

Final Adoption: December 17, 2024  
Staff Work By: Captain Chris Tincher  
Presentation By: Chief Dale Phipps

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**Recommendation:**

Approve the Resolution.

**Executive Summary:**

The Encounter, a business located at 120 Jack White Dr. Kingsport, TN, wishes to make a monetary contribution to the police department for \$1,800.00 (Eighteen hundred dollars). With this action, the police department respectfully requests the board to accept the donation.

**Attachments:**

1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

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

A RESOLUTION ACCEPTING A DONATION FROM THE  
ENCOUNTER TO THE KINGSPORT POLICE DEPARTMENT

WHEREAS, The Encounter would like to make a donation to the Kingsport Police Department in the amount of \$1,800.00; and

WHEREAS, the police department will work to determine the best use of the funds for which the necessary appropriation can be made.

Now therefore,

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

SECTION I. That the donation to the city from The Encounter to the Kingsport Police Department in the amount of \$1,800.00, is accepted.

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 December, 2024.

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PAUL W. MONTGOMERY, MAYOR

ATTEST:

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY