

ORDINANCE NO. 454

20130524000213380 1/5 \$24.00
Shelby Cnty Judge of Probate, AL
05/24/2013 08:00:02 AM FILED/CERT

AN ORDINANCE RECOGNIZING AND AUTHORIZING CERTAIN AGREEMENTS BETWEEN SUMMER CLASSICS, INC., SUMMER CLASSICS PROPERTIES, LLC., WILLIAM BEW WHITE, III, SHELBY COUNTY, ALABAMA, THE SHELBY COUNTY ECONOMIC AND INDUSTRIAL DEVELOPMENT AUTHORITY AND THE CITY OF PELHAM, ALABAMA

BE IT RESOLVED by the City Council (the "Council") of the City of Pelham (the "City") in the State of Alabama as follows:

Section 1. **Findings.** The Council hereby finds and declares as follows:

(a) expansion of the City's tax base and the promotion of economic development in the City are vital to the continued well-being and prosperity of the City and its citizens;

(b) the redevelopment and repurposing of vacant property in the City for productive use will result in, among other things, the rehabilitation and renewal of blighted and abandoned commercial areas, and the promotion of future economic development and job prospects for residents of the City;

(c) Summer Classics, Inc. ("Summer Classics"), is in the business of designing, manufacturing, distributing, and selling via retail stores various home and outdoor furnishings (the "Business"), and has indicated that it desires to consolidate certain of its existing manufacturing, warehousing, distribution, and administrative operations (the "Project");

(d) Summer Classics has reported to the City that it has identified a portion of an existing but unoccupied site located on Highway 31 in the City (the "Project Site"), which site was formerly owned and occupied by Moore-Handley, Inc., as a suitable location for the Project and, in order to assist Summer Classics with the undertaking of the Project, has requested that the City purchase the Project Site and sell a portion thereof (the "Conveyed Portion") to Summer Classics Properties, LLC ("SC Properties"), which is wholly owned by William Bew White, III;

(e) Summer Classics has represented to the City that location of the Project at the Conveyed Portion will generate not less than 100 full-time jobs in the City;

(f) Summer Classics has further determined and reported to the City that the costs of redeveloping and repurposing the Conveyed Portion for use in the Business will be substantial and that financial assistance from the City in the form of an eight-year, interest-only term loan in the amount of \$3,275,000 (the "City Loan") will be needed in order to cover the purchase price of the Conveyed Portion from the City, and to pay a portion of the costs of redeveloping and repurposing the Conveyed Portion;

(g) Shelby County and The Shelby County Economic and Industrial Development Authority have expressed support for bringing the Project to the Conveyed Portion and have determined to assist the City in its economic development efforts by making loans to the City, the proceeds of which will be used by the City to make the City Loan; and

(h) the City has determined that the location of the Project on the Conveyed Portion will provide valuable job opportunities to residents of the City, will enhance the aesthetic appeal of the Project Site and the surrounding area, and will spur additional economic development along the Highway 31 corridor and in other portions of the City, and that it is necessary, desirable and in the public interest to purchase the Project Site from the owner thereof, to sell the Conveyed

Portion to SC Properties, and to make the City Loan, all on the terms and conditions set forth herein.

Section 2. **Determination.** The City hereby determines that expenditure of public funds for the rehabilitation, redevelopment and expansion of a portion of the Project Site by Summer Classics, SC Properties, and William Bew White, III, will serve a valid and sufficient public purpose as set forth in Section 1 hereof, notwithstanding any incidental benefit accruing to any private entity or entities, including, without limitation, the foregoing individual and entities.

Section 3. **Authorization of Purchase of Project Site.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment 772 to the Constitution of Alabama of 1901, and for the purposes hereinabove stated, the City is hereby authorized to take all such actions as are necessary to purchase from the seller thereof the Project Site, including, without limitation, entering into a Sales Contract respecting such Project Site (the "Purchase Contract"), in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as *Exhibit A* to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance). The Council does hereby authorize and direct the Mayor to execute and deliver the Purchase Contract and does hereby authorize and direct the City Clerk to attest the same.

Section 4. **Authorization of Development Agreement.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment 772 to the Constitution of Alabama of 1901, and for the purpose of setting forth the understandings of the City, Summer Classics, SC Properties, and various other parties respecting the redevelopment of the Conveyed Portion, the City is hereby authorized to enter into a Development Agreement (the "Development Agreement"), in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as *Exhibit B* to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance). The Council does hereby authorize and direct the Mayor to execute and deliver the Development Agreement and does hereby authorize and direct the City Clerk to attest the same.

Section 5. **Authorization of Sale of Conveyed Portion.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment 772 to the Constitution of Alabama of 1901, the City is hereby authorized to take all such actions as are necessary to sell the Conveyed Portion to SC Properties for the sum of \$2,575,000, including, without limitation, entering into a Sales Contract respecting the Conveyed Portion between the City and SC Properties (the "Sales Contract"), in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as *Exhibit C* to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance), and executing such statutory warrant deeds as are necessary to effect the conveyance of the Conveyed Portion. The Council does hereby authorize and direct the Mayor to execute and deliver the Sales Contract and does hereby authorize and direct the City Clerk to attest the same.

Section 6. **Loan to SC Properties.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment 772 to the Constitution of Alabama of 1901, the City is hereby authorized to loan to SC Properties the sum of \$3,275,000, pursuant to a Loan Agreement between the City and SC Properties (the "Loan Agreement") in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as *Exhibit D* to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance), to cover the purchase price paid by SC Properties to the City for the Conveyed Portion and to pay a portion of the cost of developing the project. The Council does hereby authorize and direct the Mayor to execute and deliver the Loan Agreement and does hereby authorize and direct the City Clerk to attest the same.

Section 7. **Authorization of Right of First Refusal Agreement.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment 772 to the Constitution of Alabama of 1901, the City is hereby authorized to execute and record in the real property records of Shelby County a Right of First Refusal Agreement between the City and SC Properties respecting certain portions of the Project Site not

included within the Conveyed Portion (the "Right of First Refusal Agreement"), which Right of First Refusal Agreement shall be in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as *Exhibit E* to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance). The Council does hereby authorize and direct the Mayor to execute and deliver the Right of First Refusal Agreement and does hereby authorize and direct the City Clerk to attest the same.

Section 8. **Authorization of Series 2013 Warrants Respecting Project and Authorization of Intergovernmental Agreement.** (a) Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment No. 772 to the Constitution of Alabama of 1901 and Section 11-47-2 of the Code of Alabama 1975, as amended, the City is hereby authorized to issue its \$1,000,000 General Obligation Warrant, Taxable Series 2013-A (Summer Classics Project), and its \$100,000 General Obligation Warrant, Taxable Series 2013-B (Summer Classics Project) (collectively, the "Series 2013 Warrants"), under the terms, conditions, and provisions set out in the Intergovernmental Agreement provided for in paragraph (b) of this section. All the provisions of said Intergovernmental Agreement respecting the Series 2013 Warrants are hereby adopted as a part of this ordinance.

(b) The City is hereby authorized to enter into an Intergovernmental Agreement (the "Intergovernmental Agreement") with Shelby County, Alabama (the "County"), and The Shelby County Economic and Industrial Development Authority ("SCEIDA") for the purpose, among other things, of setting forth the terms of the Series 2013 Warrants, which are to be issued by the City in evidence of loans made to the City by each of the County and SCEIDA in connection with the Project. The Intergovernmental Agreement shall be in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as *Exhibit F* to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance). The Council does hereby authorize and direct the Mayor to execute and deliver the Intergovernmental Agreement and does hereby authorize and direct the City Clerk to attest the same.

Section 9. **Related Actions Authorized.** The Mayor, the City Clerk, and all other officers or agents of the City are hereby authorized and directed to execute such other certificates, documents, and agreements and to take or cause to be taken, in the name and behalf of the City, such further actions as shall be necessary or desirable to effect the transactions contemplated in this Ordinance.

Section 10. **Provisions of Ordinance Severable.** The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

Ron Scott _____, a member of the City Council of the City of Pelham, moved that all rules which would prevent the immediate consideration of **Ordinance Number 454**, hereupon attached, be suspended and immediate consideration given to passage of said Ordinance. Said motion was seconded by Beth McMillan, a member.

The roll call vote on said motion was recorded as follows:

Rick Hayes President of the Council	<u>Yes</u>
Ron Scott Council Member	<u>Yes</u>
Beth McMillan Council Member	<u>Yes</u>

Yes

Yes

THEREUPON Ron Scott, a member moved and
Maurice Mercer, a member seconded the move that said Ordinance 454 be given
vote. The roll call vote on said motion was recorded as follows:

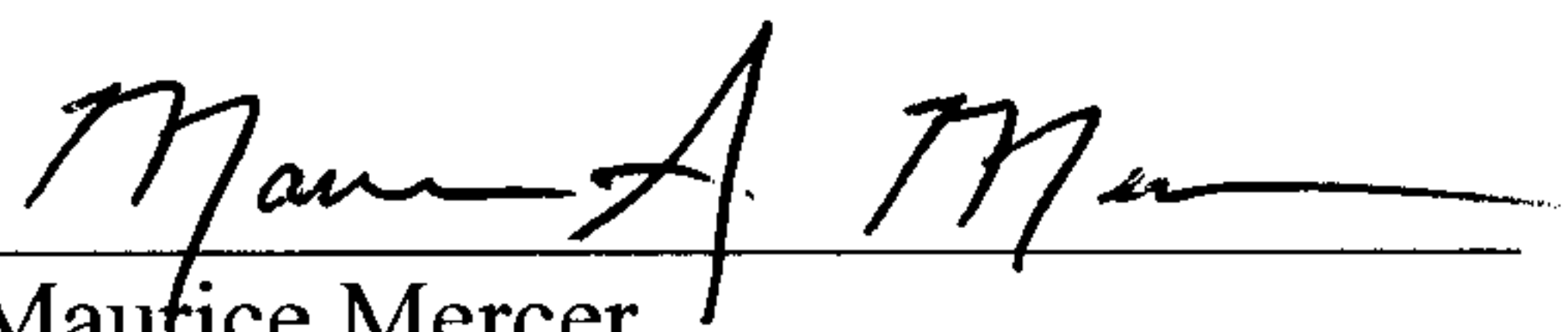
Karyl Rice Council Member	Yes
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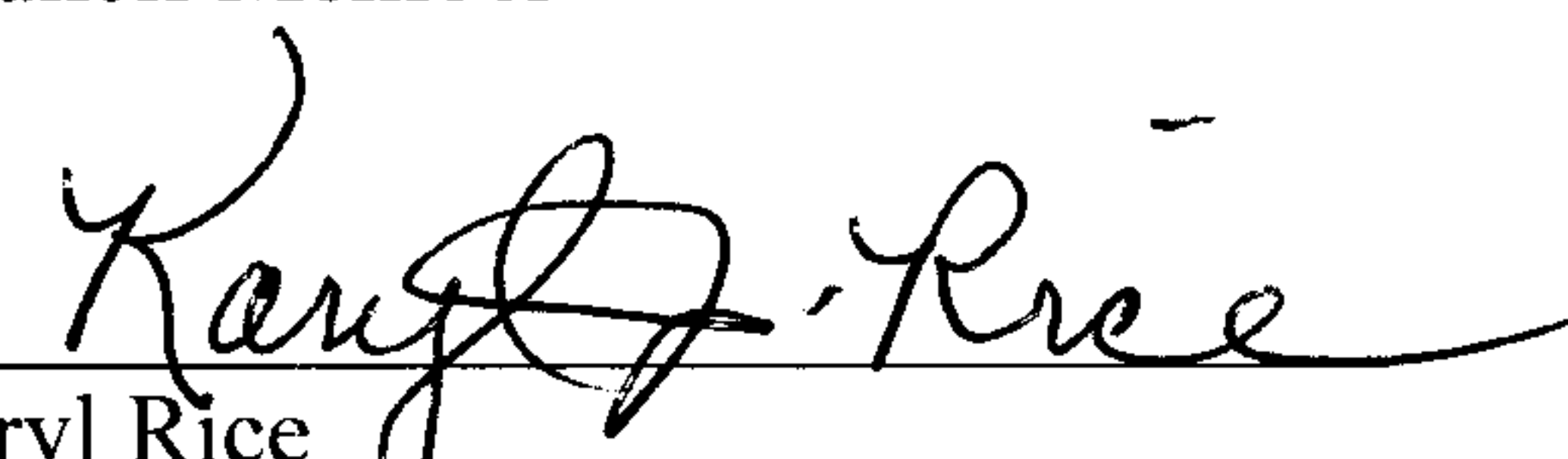
ADOPTED this the 21st day of May 2013.

Beth McMillan
Beth McMillan
Council Member




[SEAL]

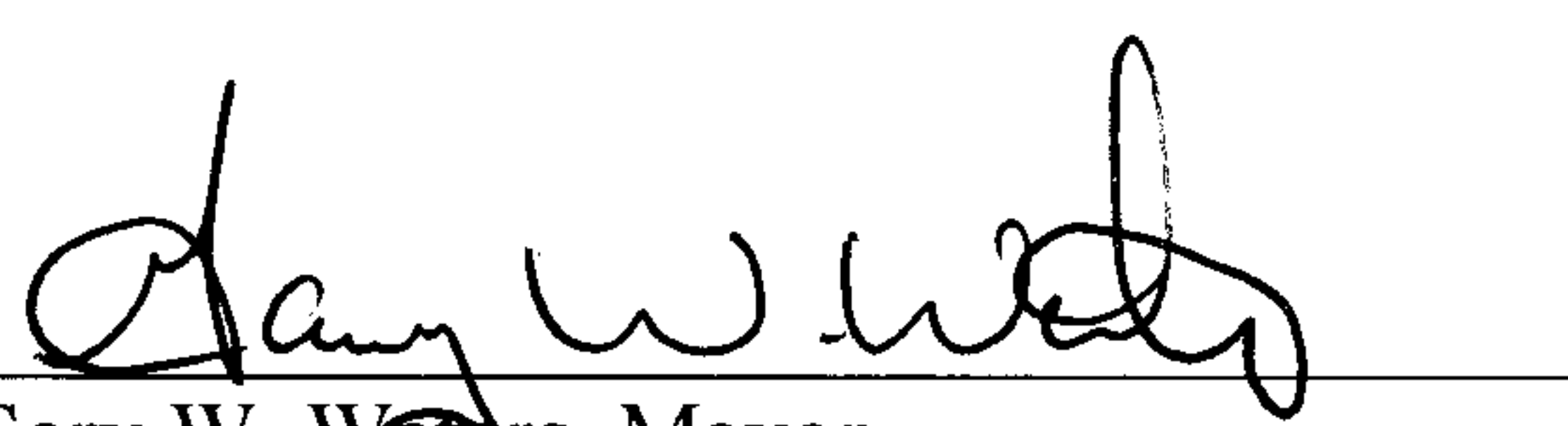

Maurice Mercer
Council Member


Karyl Rice
Council Member

ATTEST

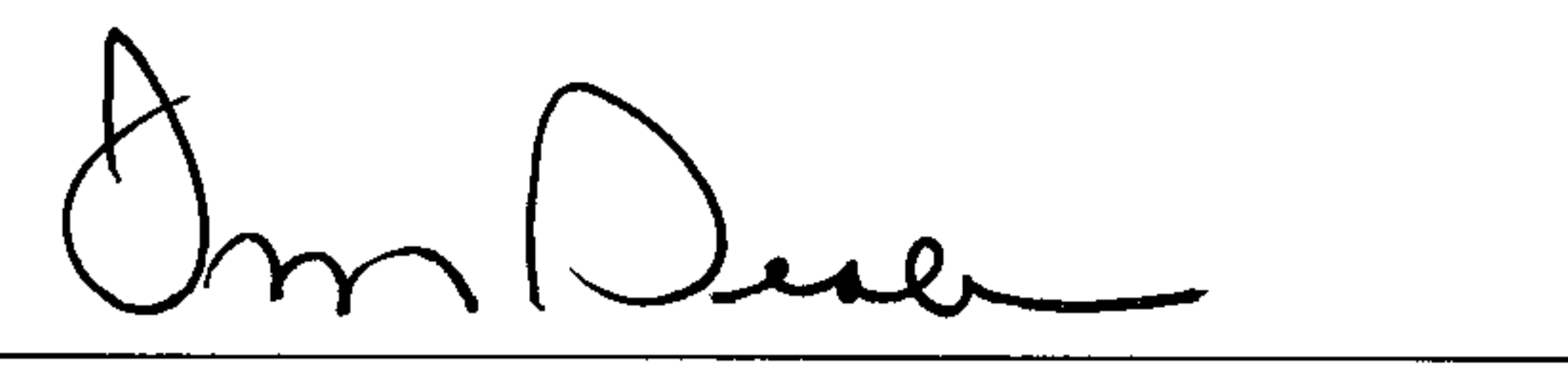

Tom Seale, Finance Director

APPROVED


Gary W. Waters, Mayor

POSTING AFFIDAVIT

I, the undersigned, acting Clerk of the City Council of the City of Pelham, Alabama, do hereby certify that the above and foregoing ORDINANCE 454 was duly ordained, adopted, and passed by the City Council of the City of Pelham, Alabama at its regular meeting on the 21st day of May 2013 and duly published by posting an exact copy thereof on 22nd day of May 2013 at three public places within the city, including the Mayor's Office at City Hall, City Park and Library, all being public places in the City of Pelham, Alabama.


Tom Seale, Finance Director

[SEAL]

