

**ORDINANCE NO. 1055**

**AN ORDINANCE TO GRANT FUNDS IN ACCORDANCE WITH SECTION 94.01 OF THE CONSTITUTION OF ALABAMA OF 2022 AND PROVIDE FOR THE ISSUANCE OF A NOT-TO-EXCEED \$2,000,000 LIMITED OBLIGATION PROJECT REVENUE WARRANT, SERIES 2025, TO BAY MINETTE HOTEL GROUP, LLC TO ENCOURAGE, PROMOTE AND SUPPORT ECONOMIC DEVELOPMENT IN THE CITY OF BAY MINETTE**

BE IT ORDAINED by the Mayor and City Council (the “Council”) of the City of Bay Minette in the State of Alabama as follows:

**Section 1. Findings of Council.** Having made due and proper investigation of the matters hereinafter referred to, the Council hereby finds and determines:

(a) Bay Minette Hotel Group, LLC (the “Company”) proposes to develop, own, and operate a Cobblestone Hotel franchise (the “Project”) at a site (the “Hotel Site”) within the corporate limits of the City.

(b) The Cooperative District of Bay Minette – Hotel Project (the “District”) has been incorporated as a capital improvement cooperative district with the City, The Redevelopment Authority of the City of Bay Minette, and North Baldwin Utilities as its members.

(c) To induce the Company to proceed with the Project, the City is willing to (i) pay to the Company an amount equal to all City Sales and Use Tax Proceeds actually received by the City, net of collection costs, with respect to the Company’s purchase of tangible personal property incorporated into the Project, (ii) grant the Company a 50% discount on the cost of certain plan reviews, permits, inspections, and like development and permitting charges, (iii) to the extent received by the City, remit or cause to be remitted to the Company one-half of the proceeds of the Cooperative District Fee, net of collection costs, to be charged by the District in the amount of two percent of the gross proceeds of certain business activities at the Hotel Site, (iv) make annual payments to the Company over a period of up to twenty years in amounts equal to the following portions of the proceeds of the City’s Lodging Tax and Sales Tax received from taxpayers operating at the Hotel Site, net of collection costs: all of such proceeds during the first three years of the operation of the Project; six-sevenths of such proceeds during years four through six; five-sevenths of such proceeds during years seven through ten; and half of such proceeds during years eleven through twenty; all such incentives as more particularly described in and subject to the terms and conditions of the Project Agreement hereinafter referenced.

(d) In order to provide for the development of the Project and to provide for the obligations of the parties with respect thereto, it is in the best interests of the City to enter into a Project Development Agreement among the City, the District,

and the Company (the "Project Agreement"), in substantially the form presented at the meeting at which this Ordinance is adopted, which form of Project Agreement is attached hereto as Exhibit A and which is hereby incorporated in this Ordinance as if set out in full herein.

(e) To evidence the City's limited payment obligation under the Project Agreement, it is necessary, advisable and in the interest of the public that the City issue its Limited Obligation Project Revenue Warrant, Series 2025 (the "Warrant"), in an amount not to exceed \$2,000,000, to the Company.

(f) The Amendment to the Constitution of Alabama codified at Section 94.01 of the Constitution of Alabama of 2022 (the "Economic Development Amendment"), permits the City to take various actions for the purpose of economic and industrial development.

(g) In accordance with the requirements of the Economic Development Amendment, the City has caused notice of the meeting at which this Ordinance is adopted to be published in a newspaper in circulation in the City, which notice includes a summary description of the action proposed to be taken as authorized in this Ordinance.

(h) The public benefits to be realized through the development and operation of the Project are expected to include (i) increased tax revenues to the City, (ii) increased economic, business, and employment opportunities for City residents, and (iii) increased overall quality of life for City residents.

(i) Resolved, that the expenditure of public funds provided for in the Project Agreement and evidenced by the Warrant will serve the valid and sufficient public purpose of encouraging, promoting, and supporting economic development in the City, notwithstanding any incidental benefit accruing to the Company or any other private business or person.

**Section 2. Authorization of Project Agreement.** The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Project Agreement on behalf of the City, in substantially the form attached as Exhibit A hereto with such changes as are approved by the Mayor, his execution of the Project Agreement constituting conclusive evidence of such approval.

**Section 3. Authorization of Warrant.** Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly the Economic Development Amendment, the City is hereby authorized to issue the Warrant. The Warrant shall be issued as a single warrant in the amount of up to \$2,000,000, shall be dated the date of its delivery, shall be payable solely from the Project Proceeds (as defined in the Project Agreement), and shall contain and be subject to the terms and conditions set forth in the form of Warrant which is an exhibit to the Project Development Agreement attached hereto as Exhibit A and which is incorporated in this Ordinance as if set out in full herein. The Warrant shall not bear interest.

**Section 4. Source of Payment; Pledge of Certain Revenues.** The indebtedness evidenced and ordered paid by the Warrant is and shall be a limited obligation of the City and the full faith and credit of the City shall not be pledged to the payment thereof. The City does hereby appropriate and agree to use, and does hereby specially and irrevocably pledge, for payment of the principal of the Warrant as the same becomes due, the Project Proceeds (as defined in the Project Agreement). The City shall have no obligation to make any payment from other sources, including, without limitation, from any other lodging or sales taxes levied against the Hotel (as defined in the Project Agreement), or from increases in the rates at which the City Lodging Tax and the City Sales and Use Tax are levied which become effective hereafter.

The pledge of the Project Proceeds herein made and the agreements on the part of the City with respect to the application of the Project Proceeds contained in this Ordinance and the Project Agreement, are subject only to (i) any pledge of the City Sales and Use Tax or the City Lodging Tax for the benefit of the City's general obligation warrants, and (ii) the law-imposed requirement that, if necessary, the legitimate governmental expenses of operating the City must first be paid.

Notwithstanding anything to the contrary, the City shall have no obligation to pay to the Company or the holder of the Warrant any Project Proceeds after the Termination Date (as defined in the Project Agreement).

The City's obligation to pay the amounts due under the Warrant shall be subject to the express limitations provided herein and in the Warrant. The City shall have no obligation, legal or moral or otherwise, to make any payment other than from the limited sources, and in the limited amounts, as provided herein, in the Project Agreement, and in the Warrant. No interest shall accrue or be payable with respect to the Warrant.

**Section 5. Creation of Warrant Fund.** There is hereby created a special trust fund of the City, the full name of which shall be "City of Bay Minette, Alabama Limited Obligation Series 2025 Warrant Fund" and which is referred to in the Warrant as the "Series 2025 Warrant Fund". The City shall have the right to designate any bank or trust company as the depository for the Series 2025 Warrant Fund (herein called the "Depository"). The monies in the Series 2025 Warrant Fund shall be used to pay the principal of the Warrant as the same shall become due and payable. There shall be paid into the Series 2025 Warrant Fund, as soon as practicable after receipt by the City, all of the Project Proceeds.

All monies on deposit in the Series 2025 Warrant Fund shall be used for payment of the principal coming due on the Warrant. Any amounts remaining in the Series 2025 Warrant Fund after the payment in full of the principal of the Warrant may be withdrawn by the City and used for any lawful purpose.

The Series 2025 Warrant Fund shall be and at all times remain public funds impressed with a trust for the purpose for which the Series 2025 Warrant Fund is herein created. The Depository for the Series 2025 Warrant Fund shall at all times keep the monies on deposit with it in the Series 2025 Warrant Fund continuously secured for the benefit of the City and the holder of the Warrant.

**Section 6. Execution and Delivery of the Warrant.** The Mayor of the City is hereby authorized and directed to execute and deliver the Warrant. The Warrant shall be registered by the

City Treasurer or by the City Finance Director acting as the City Treasurer, in the records maintained by her, as a claim against the City and the Series 2025 Warrant Fund, which registration shall be made simultaneously with the issuance of the Warrant. The certificate of registration on the Warrant shall be executed by the said Treasurer or City Finance Director. The official seal of the City shall be impressed on the Warrant, and the said seal and the Warrant shall be attested by the signature of the City Clerk.

**Section 7. Contractual Provisions.** The provisions of this Ordinance shall constitute a contract between the City and the Holder of the Warrant. Upon payment in full of the principal of and interest on the Warrant, or upon cancellation of the Warrant as provided therein, the obligations of the City hereunder shall cease.

**Section 8. Severability.** The various provisions of this Ordinance are hereby declared to be severable. In the event any provisions hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

The Chairman stated that unanimous consent was required for immediate consideration of and action on said ordinance and upon being put to vote, the following vote in favor of immediate consideration was recorded:

	YEAS	NAYS
Robert A. Wills, Mayor	X	
Pete Sellers, Councilmember	X	
Mike, Phillips, Councilmember	X	
Matt Franklin, Councilmember	X	
William Taylor, Councilmember	X	
Shannon Clemmons, Councilmember	X	

The Chairman thereupon declared that the vote for immediate consideration of and action on said ordinance had been unanimously carried. Councilmember Franklin thereupon moved that the said ordinance be finally adopted, which motion was seconded by Councilmember Sellers and, upon the said motion being put to vote, the following vote was recorded:

The Chairman then announced that the motion for adoption of said ordinance had been unanimously carried.

\* \* \*

	YEAS	NAYS	ABSTAIN
Robert A. Wills, Mayor	X		
Pete Sellers, Councilmember	X		
Mike, Phillips, Councilmember			X
Matt Franklin, Councilmember	X		
William Taylor, Councilmember	X		
Shannon Clemmons, Councilmember	X		

Upon motion duly made, seconded and unanimously approved, the meeting was adjourned.

Robert A. Wills, Mayor  
City of Bay Minette, Alabama

Attest

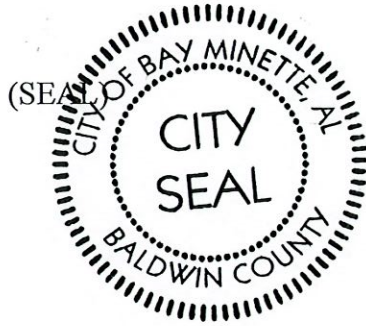
Rita Diedtrich, City Clerk



CLERK'S CERTIFICATE

I, Rita Diedtrich, Clerk of the City of Bay Minette, Alabama (the "City") DO HEREBY CERTIFY that the foregoing pages of typewritten Excerpts of Minutes pertaining to that certain Project Development Agreement referenced therein and the City's not-to-exceed \$2,000,000 Limited Obligation Project Revenue Warrant, Series 2025 constitute a true and correct copy of proceedings related to the City's Ordinance adopted on January 6, 2025, by the City Council in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said minutes appears on record in the Minute Book of the City which is in my custody and control.

Given under my hand and the seal of the City of Bay Minette, Alabama this 6<sup>th</sup> day of January, 2025.



Rita Diedtrich, City Clerk, City of Bay Minette, Alabama