OPELIKA CITY COUNCIL
" CALLED MEETING AGENDA "

204 South 7th Street

September 14, 2016

TIME: 8:30 AM

1. CALL TO ORDER

2. ROLL CALL
    1. Patricia Jones, Larry Gray, Dozier Smith T, David Canon, Eddie Smith

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. READING OF MINUTES

6. UNFINISHED BUSINESS

7. REMARKS BY THE MAYOR

8. CITIZEN COMMUNICATIONS (Limit comments to five minutes or less)

9. REPORT OF DISBURSEMENTS

10. COMMITTEE REPORTS

11. GENERAL BUSINESS
    1. Public Hearing, Project Agreement with Car Tech, LLC.

12. AWARDING OF BIDS

13. RESOLUTIONS
    1. Project Agreement - Car Tech LLC
    2. Tax Abatements - Car Tech LLC.

14. ORDINANCES

15. APPOINTMENTS

16. ADJOURN

City Council
204 South 7Th Street
Opelika, AL

SCHEDULED

Meeting: 09/14/16 08:30 AM
Department: City Clerk
Category: Agreement
Prepared By: Robert Shuman
Initiator: Robert Shuman
Sponsors:
DOC ID: 1880

GENERAL BUSINESS (ID # 1880)

Public Hearing, Project Agreement with Car Tech, LLC.

**LEGAL NOTICE OF PUBLIC MEETING AND PUBLIC HEARING
OF THE CITY COUNCIL OF THE CITY OF OPELIKA, ALABAMA**

NOTICE is hereby given that the City Council (the "Council") of the City of Opelika, Alabama, (the "City") will meet in public session at 8:30 a.m. on Wednesday, September 14, 2016, in the City Council Chambers of the Municipal Building, 204 South 7th Street in the City of Opelika, Alabama, for the purpose of considering the transaction of business that may properly come before the Council, such business to include, but not be limited to, the authorization by the Council, pursuant to Amendment No. 642 to the Constitution of Alabama of 1901, as amended, of a resolution (the "Resolution") approving the execution and delivery of a Project Agreement (the "Agreement") by and among the City, Opelika Industrial Development Authority and Car Tech, LLC., an Alabama limited liability company, (the "Company") to be dated the date of delivery with respect to a proposed new manufacturing facility to be located in the City (the "Project").

Pursuant to the Agreement, the Company will agree to establish an automobile parts manufacturing facility at 600 Fox Run Avenue in the corporate limits, requiring an initial capital investment of approximately forty-four million, three hundred eighty-four thousand dollars ($44,384,000.00). The Company estimates that it will initially employ 45 full-time employees and that employment will expand to approximately 200 full-time jobs. In consideration for the obligations of the Company under the Agreement, the City will agree, among other things, to provide financial incentives to the Company described more particularly in the Agreement, including cash incentives, temporary housing assistance, infrastructure assistance, performance incentives and tax abatements. In addition, the City will agree, at no cost to the company, to waive any and all City site plan review fees and building and construction permit fees.

The City seeks to achieve, by undertaking its obligations pursuant to the Agreement and the Resolution, to promote the local economic and industrial development of the City by facilitating the acquisition and construction of the Project for the benefit of the general public and to increase employment in the City and to increase the tax and revenue base of the City.

The business entity to whom or for whose benefit the City proposes to lend its credit or grant of public funds or thing of value is Car Tech, LLC.

All interested persons may examine and review the Project Agreement and Resolution at the offices of the City Clerk during normal business hours, before and after the meeting referenced herein.

Further information concerning the information of this Notice can be obtained at the office of the City Clerk during normal business hours.

DATED this the 7th day of September, 2016.

/s/ R. G. Shuman

CITY CLERK OF THE CITY OF OPELIKA, ALABAMA

RESOLUTION NO. 229-16

Project Agreement - Car Tech LLC

RESOLUTION NO. _____________

RESOLUTION AUTHORIZING PROJECT AGREEMENT BY AND AMONG THE CITY OF OPELIKA, ALABAMA, OPELIKA INDUSTRIAL DEVELOPMENT AUTHORITY AND CAR TECH, LLC

BE IT RESOLVED by the City Council of the City of Opelika, Alabama, (the "Council") as the governing body of the City of Opelika, Alabama, (the "City"), as follows:

Section 1. The Council upon evidence duly presented to and considered by it, has found and determined, and does hereby find, determine and declare as follows:

(a) Pursuant to the applicable laws of the State of Alabama, the City, Opelika Industrial Development Authority ("OIDA") and Car Tech, LLC, an Alabama limited liability company, (the "Company") have prepared and presented to the Council that certain Project Agreement by and among the City, OIDA and the Company dated September ___, 2016, as well as all Exhibits attached thereto (collectively, the "Project Agreement") for the purposes referenced therein.

(b) The City is authorized to do any of the actions or undertakings referenced in Amendment No. 642 to the Constitution of Alabama of 1901, as amended ("Amendment 642").

(c) Pursuant to the Project Agreement, the Company will agree to acquire and construct within the City an automobile parts manufacturing facility located at 600 Fox Run Parkway in the City (the "Project"), requiring an initial capital investment of approximately forty-four million, seven hundred eighty-four thousand dollars ($44,784,000.00).

(d) In consideration for the obligations of the Company under the Project Agreement, the City will agree, among other things, to provide financial incentives to the Company described more particularly in the Project Agreement, including cash incentives, performance incentives and tax abatements. In addition, the City will agree, at no cost to the Company, to waive any and all site plan review fees, building and construction permit fees.

(e) The expenditure of public funds for the purposes specified in the Project Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities, because it will facilitate the acquisition and construction of the Project for the benefit of the general public, will increase employment opportunities in the City and will increase the tax and revenue base of the City.

(f) On September 7, 2016, the City caused to be published in *The Opelika-Auburn News*, which newspaper has the largest circulation in the City, the Notice required by Amendment 642, a true and correct copy of which Notice is attached hereto. The information set forth in said Notice is true and correct, and the publication of said Notice is hereby ratified and confirmed.

Section 2. The Council does hereby approve, adopt, authorize, direct, ratify and confirm

(a) the agreements, covenants and undertakings of the City set forth in the Project Agreement.

(b) the terms and provisions of the Project Agreement, with such changes thereto (by addition or deletion) as the Mayor shall approve (other than an increase in the amount of the City's financial commitment which must be approved by this Council), which approval shall be conclusively evidenced by execution and delivery of the Project Agreement as hereinafter provided.

Section 3. The Mayor is hereby authorized and directed to execute and deliver the Project Agreement for and on behalf of and in the name of the City. The Clerk is hereby authorized and directed to affix the official seal of the City to the Project Agreement and to attest the same.

Section 4. The Mayor and the officers of the City are each hereby authorized and directed to take all such actions, and to execute, deliver and perform all such agreements, documents, instruments, notices and petitions and proceedings with respect to the Project Agreement, as the Mayor and such other officers shall determine to be necessary or desirable to carry out the provisions of this Resolution and the Project Agreement or duly and punctually observe and perform all agreements and obligations of the City under the Project Agreement.

Section 5. All prior actions taken, and agreements, documents or notices executed and delivered, by the Mayor or any officer or member of the City Council or other representative of the City, in connection with the agreements, covenants and undertakings of the City hereby approved, or in connection with the preparation of the Project Agreement and the terms and provisions thereof, are hereby approved, ratified and confirmed.

Section 6. This Resolution shall take effect immediately.

ADOPTED AND APPROVED this the ___ day of September, 2016.

PRESIDENT OF THE CITY COUNCIL OF THE CITY OF OPELIKA, ALABAMA

ATTEST:

CITY CLERK

I, the undersigned qualified and acting City Clerk of the City of Opelika, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a resolution lawfully passed and adopted by the City Council of the City of Opelika at a regular meeting held on the 14th day of September, 2016, and that such resolution is on file in the office of the City Clerk.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Opelika on this the ____ day of September, 2016.

CITY CLERK

CITY OF OPELIKA, ALABA

RESOLUTION NO. 230-16

Tax Abatements - Car Tech LLC.

RESOLUTION NO. ___________

RESOLUTION APPROVING CERTAIN TAX ABATEMENTS AND EXEMPTIONS FOR CAR TECH, LLC

WHEREAS, the City of Opelika, Alabama, a municipal corporation (the "City") and Car Tech, LLC, an Alabama limited liability company, (the "Company") have been engaged in discussions concerning the construction by the Company of an automobile parts manufacturing facility (the "Facility) to be located at 600 Fox Run Parkway within the corporate limits of the City; and

WHEREAS, the proposed Facility will result in a capital investment of up to seventy-one million, seven hundred eighty-four thousand dollars ($71,784,000.00) by the Company and will result in the creation of approximately two hundred (200) full-time jobs at the Facility; and

WHEREAS, the City wishes to secure the numerous benefits to the City, its business community and its residents that could result from the construction and operation of the Facility within the City; and

WHEREAS, the Company has announced plans to acquire land, construct new buildings, and purchase and install new manufacturing machinery and other new personal property, including non-manufacturing machinery, other equipment, computers, furniture, etc. (the "Project") at the site of the Facility; and

WHEREAS, the Project is estimated to be placed in service by September 30, 2020; and

WHEREAS, the Project will be operated by the Company as an "industrial or research enterprise" as defined under Alabama Code §40-9B-3(a)(10); and

WHEREAS, the Company's NAICS Code 336370 meets the qualifications of an industrial or research enterprise in accordance with §40-9B-3(6), *Code of Alabama,* as amended; and

WHEREAS, pursuant to the Tax Incentive Reform Act of 1992 (Section 40-9B-1, et seq, *Code of Alabama*, 1975) (the "Act"), the Company has requested from the City the abatement of (a) all state and local non-education ad valorem taxes (property taxes); and (b) all construction related transaction taxes (sales and use taxes), except those construction related transaction taxes levied for educational purposes or for capital improvements for education; and

WHEREAS, pursuant to Article IV of Chapter 51 of Title 11, *Code of Alabama*, the Company has requested from the City a complete exemption of non-educational City ad valorem taxes for a period of fifteen (15) years; and

WHEREAS, the City has considered the request of the Company and the completed application filed by the Company in connection with its request; and

WHEREAS, the City has found the information contained in the Company's application to be sufficient to permit the City to make a reasonable cost/benefit analysis of the proposed Project and to determine the economic benefits to the community; and

WHEREAS, the City Council has been furnished a copy of a Tax Abatement Agreement between the City and the Company and the City Council has determined that the general terms of such Agreement are acceptable to the City in principle; and

WHEREAS, the Company is duly qualified to do business in the State of Alabama and has power to enter into and to perform and observe the agreements and covenants on its part contained in the Tax Abatement Agreement; and

WHEREAS, the City represents and warrants to the Company that it has the power under the Constitution and the laws of the State of Alabama (including particularly the provisions of the Act) to carry out the provisions of the Tax Abatement Agreement; and

WHEREAS, the City wishes to secure the numerous and significant benefits to the City, its business community and residents that will likely result from the construction and operation of the Facility resulting from the acquisition of land, the construction of new buildings and the purchase and installation of new manufacturing equipment and other new personal property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Opelika, Alabama as follows:

1. Approval is hereby given to application of the Company and abatement is hereby authorized of (1) all state and local non-educational property taxes for a period of ten (10) years; and (2) all construction related transactions (sales and use) taxes, except those construction related transaction taxes levied for educational purposes or for capital improvements for education.

2. In addition, pursuant to Title 11, Article 4 of Chapter 51, *Code of Alabama*, the City agrees to grant to the Company a complete exemption for non-educational City ad valorem taxes for a period of fifteen (15) years.

3. The abatements and exemptions granted herein do not include any ad valorem taxes earmarked for city and county schools and school district purposes. The tax abatements and exemptions for ad valorem taxes under paragraphs 1 and 2 shall not exceed the maximum abatement allowed by state law.

4. The Mayor and the City Clerk are hereby authorized and directed to execute the Tax Abatement Agreement with the Company and such other ancillary documents and agreements as may be necessary to provide the abatements and exemptions granted in paragraphs 1 and 2 above.

5. A certified copy of this resolution, with Application and Abatement Agreement, shall be forwarded to the Company to deliver to the appropriate taxing authorities and to the Alabama Department of Revenue in accordance with the Act.

6. The officers of the City and any person or persons designated and authorized by any officers of the City to act in the name and on behalf of the City, or any one or more of them, are authorized to do or cause to be done or performed in the name and on behalf of the City such other acts and to execute and deliver or caused to be executed and delivered in the name and on behalf of the City such other notices, certificates, assurances, or other instruments or other communications under the seal of the City, or otherwise, as they or any of them deem necessary

or advisable or appropriate in order to carry into effect the intent of the provisions of this resolution.

7. This resolution shall take effect upon passage and adoption by the City Council.

ADOPTED AND APPROVED this the ________ day of September, 2016.

____

PRESIDENT OF THE CITY COUNCIL OF THE
CITY OF OPELIKA, ALABAMA

ATTEST:

____

CITY CLERK

NOTICE OF PUBLIC MEETING OF OPELIKA INDUSTRIAL DEVELOPMENT AUTHORITY

Notice is hereby given that the Board of Directors of the Opelika Industrial Development Authority will hold a meeting of the Board of Directors in the City of Opelika Conference Room, City Hall, at 8:00 AM, September 14, 2016

The meeting is open to the public and all interested persons are invited to attend.