

ST. CLAIR COUNTY COMMISSION MEETING JANUARY 5, 2017

The St. Clair County Commission met for a Public Hearing and a Meeting on January 5, 2017 in the County Commission Chambers of the St. Clair County Courthouse in Pell City, Alabama.

Members Present: Paul Manning, Chairman
Jeff Brown, Commissioner District One
Ken Crowe, Commissioner District Two
Tommy Bowers, Commissioner District Three
Jimmy Roberts, Commissioner District Four

Members Absent: None

Others Present: Laura Lawley, Administrator
Tina Morgan, Deputy Administrator
Rena Brown, Advanced Clerk, Commission
Michael McSweeney, McSweeney Brothers
Braeu McSweeney, McSweeney Brothers
Matt McSweeney, McSweeney Brothers
Rod McSweeney, McSweeney Brothers
Don Smith, EDC
James Hill, County Attorney
John Rea, Attorney
Jason Roberts, EDC
Jan Crowe, Visitor
Jeff Morgan, Visitor

APPROVE THE AGENDA

On a motion by Commissioner Crowe, seconded by Commissioner Bowers, with all voting aye it was

RESOLVED, that the agenda be approved as presented.

PUBLIC HEARING- Amendment 772 Public Hearing:

Chairman Manning called the Public Hearing to order at 7:00 p.m. The County Attorney explained that there will be two Resolutions considered by the Commission at the conclusion of the meeting - one of which adopts and authorizes the execution of a Tax Revenue Sharing and Tax Incentive Agreement (the "Agreement") with the Developers, McSweeney Automotive Group, LLC, and McSweeney Automotive Group II, LLC (collectively, The "Dealer") and Owner McSweeney Brothers Investment Company, LLC, (the "Owner"); the other will adopt and authorize the issuance of a Certificate of Indebtedness evidencing the obligations in the Agreement.

Section 94 of the Constitution of Alabama generally prohibits the giving of any type of public benefit or thing of value from a public body to private entity. Section 94.01 authorizes an exception that under certain circumstances public bodies can give things of value to a public entity. Pursuant to Section 94.01, the County has notified the public of this meeting in The Birmingham News, St. Clair Times, and St. Clair News Aegis. What that notice said was that the County was going to consider adopting the Agreement and described the terms therein. It is a 10 year Agreement where after a \$5,000,000.00 threshold is met of new car sales, the County will rebate on a fiscally annual basis one-half of the taxes that we collect from the sale of vehicles and other sales that happen at the Dealership. The County has a one-percent sales tax on a general sales tax and a half of a percent sales tax on new vehicles. Every year Dealer must meet threshold of new vehicles

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sales before the incentive begins. At the beginning of the next fiscal year this threshold must be met and this process continues for a period of ten years from the Commencement Date.

The Agreement and the Resolution make certain specific findings related to the Economic Development, Commercial Development, job creations, and tax revenue creation that is expected from the development. The most important finding that we must make is that any public benefit that will be given to the developer or private entity is fully incidental to the public benefit that is created by the project.

The Agreement is applicable to only particular vehicle brands. The Agreement contemplates bringing additional dealerships to the property. In that event the Agreement would still take into account the monies generated by those new dealerships, but only for the period of time remaining under the Agreement term. There's a timeline by which the project must be commenced and the County will pay the rebate in fiscal quarterly payments during every fiscal year.

Mr. McSweeney stated they were excited about being in Pell City and also St. Clair County and that there is tremendous opportunity now and there will be greater opportunity as time goes. As for the dealership itself there are two different groups of brands which are separate. Chrysler Dodge Jeep Ram and Cadillac GMC are the brands that will be purchased from Bill Stanford Automotive which is located in Talladega and Talladega County. Mr. McSweeney said they submitted for approval for both of those franchises and Chrysler Dodge Jeep Ram immediately approved the relocation to the property in Pell City. General Motors is still in the process of negotiating. He stated they did not want to hold the project up and wait to do both at one time so they made the decision to move forward with Chrysler Dodge Jeep Ram in one facility. They will purchase enough property to locate both of those facilities. The estimated closing timeline on the acquisition on the land purchase is January 30, 2017. The architectural plans and civil engineering plans are ready to go. As soon as they close they will begin clearing the lot and begin construction on the facility. The property is located between Hardees and the old Pell City Hospital in Pell City.

Don Smith with the St. Clair County Economic Development Council (EDC) stated the estimated sales of cars and the taxes to be generated from the County side alone is approximately \$180,000.00 each year of new auto related sales tax generated. The County will be retaining about \$100,000.00 of that and the other \$80,000.00 will be rebated back to the McSweeney's and this project. It is in close proximity to hospital which should aid in development thereof. Any new brands that come in will fall under this Agreement. After twenty four months from effective date, if the Dealership is not open to the public and selling cars the Agreement will terminate. The EDC recommends that the County Commission approve this Agreement.

The County Attorney also stated that this Agreement was consistent with other similar agreements. There is no educational portion of any of the County's taxes that will be rebated. The County does not collect the educational portion in Pell City.

The County Attorney then asked to open the Public Hearing and it was so opened. After opportunity for the public to make comments and there being no public comments, the Chairman closed the public hearing at 7:13 p.m.

NEW BUSINESS

The first item of New Business was to discuss consideration of Resolution 2017-15 approving Tax Revenue Sharing and Tax Incentive Agreement between St. Clair County, City of Pell City, and McSWEENEY BROHTERS INVESTMENT COMPANY LLC, McSWEENEY AUTOMOTIVE GROUP LLC, and McSWEENEY AUTOMOTIVE GROUP II LLC. On a motion by Commissioner Bowers, seconded by Commissioner Brown, with all voting aye, it was

RESOLVED, that Resolution 2017-15 and approving development agreement between St. Clair County, City of Pell City, and McSWEENEY BROHTERS INVESTMENT COMPANY LLC, McSWEENEY AUTOMOTIVE GROUP LLC, and McSWEENEY AUTOMOTIVE GROUP II LLC is approved and all applicable persons from the County be authorized to execute the same. (Resolution 2017-15 to be made a part of these minutes as Attachment #1 and Agreement as Attachment #2)

The last item of New Business was to discuss consideration of Resolution 2017-16 to approve a Certificate of Indebtedness to evidence the obligations in the Agreement. The County will validate the obligations set forth in the Agreement along with the Certificate of Indebtedness. On a motion by Commissioner Crowe, seconded by Commissioner Brown, with all voting aye, it was

RESOLVED, that Resolution 2017-16 approving and authorizing the issuance of a Certificate of Indebtedness evidencing the obligations in the Agreement and authorizing validation of the same. (Resolution 2017-16 to be made a part of these minutes as Attachment #3)

There being no further business, the meeting adjourned, subject to call, at approximately 7:17 p.m. on a motion by Commissioner Bowers, seconded by Commissioner Brown, with all voting aye.

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Paul Manning, Chairman

Jeff Brown, Commissioner

Ken Crowe, Commissioner

Tommy Bowers, Commissioner

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