

**Montevallo City Council Special Called Meeting
February 14, 2019
4:30 p.m. at City Hall**

Mayor Hollie Cost, Council Member Rusty Nix, Council Member Matt Walker, Council Member Willie Goldsmith, Council Member Tiffany Bunt and Council Member Jason Peterson were in attendance.

Mayor Cost called the Special Meeting to order at 4:33 p.m. As detailed in the meeting notice, she pointed out that the purpose of this meeting is to respond to the Sellers' response to our counter offer on the Victory Building.

As instructed by the City Council, she informed the Sellers of the city request to decrease the purchase price amount from \$375,000 to \$350,000 in order to account for some unanticipated environmental clean-up costs. They said they would not go any lower than they already had. The property appraised for \$520,000 - which means they are already donating \$145,000 to the city.

(Council Member Bunt arrived.)

The Council continued to discuss the response, as well as the prospects for a new tenant.

Council Member Peterson said he thinks the \$375,000 price is still a good one.

Council Member Walker agreed.

In response to several questions from Council Member Nix, Mayor Cost said she thinks we will be able to have a better understanding of things once we actually close on the property.

The Mayor asked the following letter from Montevallo Main Street to be entered into the record:



Montevallo City Council:

Montevallo Main Street staff, board, and volunteers work every day to elevate our historic downtown. As you face the decision of choosing whether to support the City moving forward to acquire the property where Victory Auto once stood, please consider what a great opportunity this would be for the citizens of Montevallo.

Montevallo Main Street wholeheartedly supports the City acquiring the property for a number of reasons. First, it allows the City to control this landmark downtown property that has been a symbol of blight for so long, and to take advantage of this opportunity to make it once again a vibrant place on Main Street. This property has been on the market for many years, and no private parties have purchased it, although there has been ample time for them to do so. It has simply remained a vacant eyesore that we cannot afford to continue to have on Main Street.

Second, we already have secured an interested tenant who could potentially bring up to \$100,000 per year in tax revenues to the City. The investment could pay for itself in a very reasonable amount of time with the economic activity generated with a merchant in the building.

Third, the City would be able to acquire and control more public parking downtown, which is imperative if we are to continue to sustainably grow our downtown district with new businesses, the addition of the UM Center for the Arts and other things in the future. Our ability to attract current and potential residents, as well as visitors, to our downtown hinges on the availability of public parking.

We urge you to support the City moving forward with acquiring Victory.

Sincerely,

- Courtney Bennett*, Executive Director
- Julie Smitherman*, Board President, Bradford Real Estate
- Pam Phagan*, Board
- Tom Sanders*, Secretary, UM College of Business
- Casie Tate*, Board, Montevallo Makers
- Ken Jones*, Board, Regions Bank

- David Darby*, Board, Trustmark Bank
- Kirk Lightfoot*, Board
- Stephanie Shunnarah*, Board, Montevallo Family Dentistry
- Jason Black*, Board, McDonald's
- Omar Gltierrez*, Board, El Agave Bar & Grill
- Sarah Hendren*, Board, University of Montevallo

Montevallo Main Street

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Steve Gilbert, Director of the Montevallo Chamber of Commerce, said he has been involved in the negotiation process with the prospective tenant for quite some time. He said this is

the best scenario we could have hoped for. This will be a huge win for everyone. The City having control of that property makes tremendous sense, even if the prospective tenant doesn't pan out. He said this is at downtown's front door and we need to be in the driver's seat with regard to what happens with this property. It is a main gateway into our community. As such, he stated that the Montevallo Camber fully supports this purchase.

Council Member Bunt said she agreed with Council Member Nix that we don't necessarily want to be in the real estate business. However, she also agreed that the benefits of this action could be huge for our city.

Council Member Nix said that when this idea was first brought up he was against it. Since then, however, we were able to negotiate a much lower purchase price and we have conducted an environmental analysis which indicates only minor environmental issues to deal with. What's more, he has examined the rear lot and does not think we will need to haul off that much soil. In addition, when we built City Hall, the soil on this portion of the block was compacted and we didn't have to do much at all to prepare this site. Also, the lot across the street is valuable as a parking lot. The old tanks on that lot were closed appropriately for that era, and do not require any remediation or pose any threat. All we need to do is keep it paved and that will protect the soil and water table. Even though he still has a few concerns, he thinks purchasing this property is in the best interest of our community. Therefore, he made a motion to agree to move forward with the purchase at the \$375,000 price and upon the terms and conditions previously discussed (and detailed in the following resolution). Council Member Bunt seconded. ALL AYES . . . MOTION APPROVED.

Resolution No. 02142019-200

Resolution Authorizing the Mayor to Purchase the Victory Properties on Behalf of the City of Montevallo

Whereas, the City Council of the City of Montevallo, Alabama (City) determined it is in the best interest of the citizens of the City to own the properties comprising the old Victory Automotive site at 555 Main Street, Montevallo, Alabama 35115; and

Whereas, the City Council authorized the Mayor to negotiate the terms and conditions of said property within established limits; and

Whereas, it was agreed to purchase the Victory site for the appraised value of the properties, with \$375,000 in cash being paid by the City to the Seller and the difference as determined by appraisal being a donation from the Seller to the City; and

Whereas, the purchase was subject to the satisfactory results of a Phase II Environmental Study; and

Whereas, the City hired ATC Group Services, LLC to perform the Phase II Study; and

Whereas; the Council met in a special called meeting on February, 14 2019 to discuss the overwhelmingly positive results of said study;

Now, therefore, be it resolved by the City Council of the City of Montevallo, Alabama as follows:

- 1) That the Mayor is hereby authorized to purchase the Victory Properties at 545 Main Street, Montevallo, Alabama upon the terms detailed in the previously approved purchase agreement dated December 14, 2018.
- 2) That the City Clerk and Treasurer is hereby authorized to draw sufficient funds from the city's money market account at Central State Bank to pay for said purchase and closing costs.
- 3) Based upon an appraisal ordered by the Seller, the value of the Victory Properties is \$520,000. As such, the City graciously accepts the donation of the remaining value of the Victory Properties - \$145,000 - from the Sellers, Clayton-Bailey Real Estate, LLC.

Council Member Rusty Nix made the motion to approve this Resolution. Council Member Tiffany Bunt seconded. By unanimous vote, this resolution was thereby adopted and approved this the 14th Day of February, 2019.

Hollie C. Cost, Mayor

ATTEST:

Herman Lehman, City Clerk & Treasurer

There being no further business before the Council, Council Member Nix made a motion to adjourn. Council Member Walker seconded. ALL AYES . . . MEETING ADJOURNED at 4:49 p.m.

Submitted by:

Herman Lehman
City Clerk