

MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Montevallo City Hall
Minutes
Special Called Meeting
December 7, 2022
1:00 p.m.

Members Present: Trey Gauntt, Sonya Swords, Mark Richard
Staff Present: Regina Ashmore, Susan Hayes (Zoom)
Others Present: Steve Gilbert, Lisa Shapiro, City of Montevallo; Melody Whitten, 58 Inc.
 (Zoom); Rusty Nix, Mayor; Janice Seaman

The meeting was called to order at 1:00 pm by Chairman Swords. Chairman Swords, Mr. Richard and Mr. Gauntt were in attendance creating a quorum. A notice for this meeting was posted on November 30, 2022.

Ms. Whitten informed the Board on the status of the Main Street property and the potential for a hotel development in the City. She presented both proposals to the City council at its last meeting and asked the Board to revisit funding the ADEM program. The council gave the impression they would pursue incentive proposals to further the hotel development project and agreed the environmental issues that existed on the property should be addressed. Ms. Whitten requested the Board utilize the proceeds from the Main Street Tavern property sale to allocate funding for the Main Street property development referred to as the Victory site. The proposed funding as presented by Ms. Whitten would be used to reimburse the city for land and building cost of \$375,000, Phase II Environmental Assessment \$22,125, asbestos abatement \$24,636, asbestos abatement oversight \$6,600, address environmental issues at the site under the ADEM VCP program \$38,035, demolition and removal of existing building \$49,914, disposal of building demolition materials \$14,316 and legal expenses \$6,100 all totaling \$536,726.

Ms. Hayes stated the net proceeds of the Main Street Tavern building totaled \$622,336 not including the rental income accrual of \$154,000. These funds belong equally to each of the three members of the MDCD. Mr. Gauntt stated the described project was in line with Board's purpose and mission and supports the City's direction for the project. The Board continued to discuss the ADEM process and the value of addressing the environmental issues regardless of the path chosen by city council. The Board agreed to authorize existing MDCD funds to support the City if the decision is made to move forward with the project as described. Ms. Whitten stated any potential buyer will discover the environmental assessment reports while performing due diligence on the property and those issues would likely have to be addressed before the property could be developed. She also recommends that any action by the MDCD to support this project should include a clarification statement to reflect the funding would be for a lodging facility development. When asked about the timeframe required to address the environmental issues Ms. Whitten stated the ADEM process could take from 3 to 6 months and may be longer depending on what is discovered on site once cleanup is underway. Ms. Whitten further recommended if the City decides to move forward with this project it should engage legal counsel and suggested Rod Canter because of his firm's experience with similar projects while simultaneously engaging One Atlas to start the ADEM process to address the environmental issues with the site. Ms. Whitten stated, while the environmental issues are being addressed, the City could simultaneously work to determine the

most advantageous incentive package and the details of it could be finalized and executed if approved by the City.

Mr. Gauntt made a motion to establish an MDCD project described as the Hotel Development Project and transfer funds in the amount of \$550,000 from the existing line item that contains the proceeds from the sale of property on Main Street also known as the Tavern. These MDCD funds will only be made available (1) upon satisfactory execution of a contract between the developer and the City, (2) upon request by the City for the purpose of developing a hotel / lodging facility and (3) may only be utilized for expenses described as follows:

- Reimbursement, upon satisfactory execution of contract, for previous City investment to purchase the subject site = \$375,000
- Reimbursement, upon satisfactory execution of contract, for previous City expense associated with Phase II Environmental Assessment = \$22,125
- Reimbursement, upon satisfactory execution of contract, for previous City expense associated with abatement of asbestos (Meredith Environmental) = \$24,636
- Reimbursement, upon satisfactory execution of contract, for previous City expense associated with abatement of asbestos oversight and closeout (ATC Group Services) = \$6,600
- City's estimated expense to contract with One Atlas under the ADEM VCP program to address environmental issues = \$38,035
- City's estimated expense to contract with Meredith Environmental for demolition and removal of the building = \$49,914
- City's estimated expense to pay landfill fees associated with the disposal of the building demolition materials = \$14,316
- City's estimated expense for legal fees associated with the project = \$6,100

Total estimated cost == \$536,726

Total Project Funding Allocation == \$550,000

Mr. Richard seconded the motion. Chairman Swords opened the floor for public comment. Ms. Seaman outlined her concerns regarding this property and the potential plans associated with a hotel development. The Board addressed Ms. Seaman's concerns and moved for a vote. The motion was approved by a unanimous vote of three (3-0), with Mr. Richard, Mr. Gauntt and Chairman Swords voting in favor.

The next regularly scheduled meeting will be on Monday, December 12, 2022 at 1:00 pm in the Council Chambers at Montevallo City Hall. The Zoom login will be provided for the meeting.

There being no further business, Mr. Gauntt made a motion to adjourn. The motion was seconded by Mr. Richard. The motion was approved by a unanimous vote of three (3-0), with Mr. Richard, Mr. Gauntt and Chairman Swords voting in favor, the special called meeting of December 7, 2022 was adjourned at 1:53 pm.

Regina Ashmore

Recording Secretary

Sonya Swords

Montevallo Development Cooperative District