

**MINUTES FROM A REGULAR MEETING OF THE
COUNCIL OF MUSCLE SHOALS, ALABAMA, HELD
January 17, 2017**

The City Council of Muscle Shoals, Alabama met at the Muscle Shoals City Hall auditorium in said City at 6:00 p.m. on the 17th day of January, 2017 being the scheduled time and approved place for said meeting. The meeting was called to order by Allen Noles, President of the Council. The invocation was given by Ricky Williams. On roll call the following members were found to be present or absent, as indicated:

PRESENT: CHRIS HALL, NEAL WILLIS, MIKE LOCKHART
KEN SOCKWELL, ALLEN NOLES
ABSENT: NONE

Allen Noles, President of the Council, presided at the meeting and declared that a quorum was present and that the meeting was convened and opened for the purposes of transaction of business. Mayor David Bradford was also present. Richard Williams, City Clerk, was present and kept the minutes of the meeting.

Upon motion duly made by Council Member Lockhart and seconded by Council Member Sockwell and unanimously adopted, the Council waived the reading of the minutes of the previously held regular meeting and work session of January 3, 2017 and approved the minutes as written.

Mayor Bradford welcomed representatives with North American Lighting that were present.

President Noles announced that the next item of business was consideration of a resolution to authorize the purchase of video cameras for the police department through the HGAC purchasing cooperative.

Council Member Sockwell introduced the following resolution and moved for its adoption:

STATE OF ALABAMA
COLBERT COUNTY

RESOLUTION NUMBER 2860-17

WHEREAS, the City Council of the City of Muscle Shoals, Alabama approved the purchase of a three (3) law enforcement video camera systems to be installed in police cars; and

WHEREAS, the Procurement Agent advised that a cooperative contract approved by the State of Alabama is valid for such purchase; and

WHEREAS, the Procurement Agent further advised that the total purchase price for the 4RE In-Car Video Camera Systems is \$14,424.00 to be purchased from WatchGuard Video, LLC and further that WatchGuard Video, LLC is the awarded contractual vendor for said item with HGAC-Buy, a State of Alabama approved purchasing cooperative; now

THEREFORE, BE IT RESOLVED by the City Council of the City of Muscle Shoals that WatchGuard Video, LLC, the contractual vendor of HGAC-Buy is awarded the purchase of three (3) 4RE In-Car Video Camera Systems for the total purchase price of \$14,424.00.

Council Member Hall seconded the motion and upon said motion being put to a vote all voted “AYE” and “NAYS” were none.

President Noles announced that the resolution had been approved.

President Noles announced that the next item of business was consideration of a resolution to authorize the purchase of a communications console for the police department through the HGAC purchasing cooperative.

Council Member Hall introduced the following resolution and moved for its adoption:

STATE OF ALABAMA
COLBERT COUNTY

RESOLUTION NUMBER 2861-17

WHEREAS, the City Council of the City of Muscle Shoals, Alabama approved the purchase of a new dispatch console workstation to be utilized at Muscle Shoals Police Department, and

WHEREAS, the Procurement Agent advised that the purchase must comply with the Alabama Competitive Bid Law requirements, and that a cooperative contract approved by the State of Alabama is valid for such purchase; and

WHEREAS, the Procurement Agent further advised that the purchase price for the custom-designed dispatch console workstation is \$16,393.36 to be purchased from Ergoflex Systems, Inc. dba Xybix Systems, Inc. and further that Ergoflex Systems, Inc. dba Xybix Systems, Inc. is the awarded contractual vendor for said item with Houston-Galveston Area Cooperative-Buy (HGAC-Buy), a State of Alabama approved purchasing cooperative; now

THEREFORE, BE IT RESOLVED by the City Council of the City of Muscle Shoals that Ergoflex Systems, Inc. dba Xybix Systems, Inc. the contractual vendor of HGAC-Buy is awarded the purchase of the approved dispatch console workstation for the total purchase price of \$16,393.36.

Council Member Willis seconded the motion and upon said motion being put to a vote all voted “AYE” and “NAYS” were none.

President Noles announced that the resolution had been approved.

President Noles announced that the next item of business was consideration of a resolution to authorize the purchase of an excavator for the public works department through the NJPA purchasing cooperative.

Council Member Willis introduced the following resolution and moved for its adoption:

STATE OF ALABAMA
COLBERT COUNTY

RESOLUTION NUMBER 2862-17

WHEREAS, the City Council of the City of Muscle Shoals, Alabama approved the purchase of a new excavator and optional equipment to include a bucket and trailer to be utilized in the Muscle Shoals Public Works Department, and

WHEREAS, the Procurement Agent advised that the purchase must comply with the Alabama Competitive Bid Law requirements, and that a cooperative contract approved by the State of Alabama is valid for such purchase eliminating the need for additional formal sealed bidding; and

WHEREAS, the Procurement Agent further advised that the purchase price for the new backhoe with optional bucket equipment and a transport trailer is \$53,021.10 to be purchased from John Deere Construction Retail Sales with the delivering dealer representing John Deere Sales being Tri-Green, and further that John Deere Construction Retail Sales is the awarded contractual vendor for said item with National Joint Powers Alliance (NJPA), a State of Alabama approved purchasing cooperative; now

THEREFORE, BE IT RESOLVED by the City Council of the City of Muscle Shoals that John Deere Construction Retail Sales the contractual vendor awarded by NJPA is awarded the purchase of the approved new, excavator with optional equipment for the total purchase price of \$53,021.10.

Council Member Lockhart seconded the motion and upon said motion being put to a vote all voted "AYE" and "NAYS" were none.

President Noles announced that the resolution had been approved.

President Noles announced that the next item of business was consideration of a resolution to make an appointment to the Board of Zoning Adjustment.

Council Member Willis introduced the following resolution and moved for its adoption:

STATE OF ALABAMA
COLBERT COUNTY

RESOLUTION NUMBER 2863 - 17

WHEREAS, the term of a member of the Zoning Board of Appeals of the City of Muscle Shoals has expired and the City Council being desirous of making the necessary appointment to said board within the City;

WHEREAS, notice was given to the public of said pending vacancy and applications solicited for a member to said board;

WHEREAS, the following individual made proper application and met the requirements for appointment, and is eligible for appointment to fill the pending vacancy:

Phillip Fretwell

WHEREAS, Phillip Fretwell was the sole applicant for appointment to the board and currently serving on the board, and

WHEREAS, a roll call vote was had by the City Council as follows:

Council Member Hall: Phillip Fretwell
Council Member Willis: Phillip Fretwell
Council Member Lockhart: Phillip Fretwell
Council Member Sockwell: Phillip Fretwell
Council Member Noles: Phillip Fretwell

WHEREAS, Council President Noles announced that Phillip Fretwell had received a majority of the votes cast, now

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Muscle Shoals, Alabama does hereby appoint the following named person to serve as set forth herein:

<u>APPOINTEE</u>	<u>BOARD</u>	<u>EXPIRATION OF TERM</u>
Phillip Fretwell	Appeals Board	December 2021

The Clerk is hereby directed to notify the above named persons of their appointment and to further notify the respective board of said appointments.

Council Member Lockhart seconded the motion and upon said motion being put to a vote all voted "AYE" and "NAYS" were none.

President Noles announced that the resolution had been approved.

President Noles announced that the next item of business was consideration of a resolution to amend the 2006 tax abatement agreement with North American Lighting.

Council Member Lockhart introduced the following resolution and moved for its immediate consideration:

RESOLUTION NUMBER 2864 - 17
Resolution to Amend May 1, 2006 Resolution of
The City Council of Muscle Shoals

This Resolution is made this 17th day of January 2017 by the City Council of Muscle Shoals, Alabama (the Granting Authority) to include an increase in capital investment and a change in the date construction was completed and the was project placed in service in the tax abatements granted to North American Lighting, Inc. (the Company) on May 1, 2006 (the Effective Date), and amend the Tax Abatement Agreement (the Original Agreement) dated May 1, 2006, between the Granting Authority and the Company.

WHEREAS, on the Effective Date, the Granting Authority considered the Application to Granting Authority for Abatement of Taxes dated April 10, 2006 (the Original Application), copy attached as Attachment One, presented by the Company requesting abatement of the non-educational portion of property and sales and use taxes associated with the Company's new project that included the acquisition, construction, and equipping of a manufacturing facility located in the former Northwest Alabama Industrial Park, now known as the Shoals Research Airpark, located in the City of Muscle Shoals, Colbert County, Alabama (the Project) within the jurisdiction of the Granting Authority; and

WHEREAS, construction of the Project was estimated to be complete on March 15, 2007, and placed in service on June 4, 2007; and

WHEREAS, the Original Application indicated an estimated capital investment of \$21,000,000, which consisted of \$450,000, donated land; \$728,908, existing personal property; \$14,000,000, new building; \$4,870,684, new manufacturing machinery; and, \$950,408, other new personal property; and

WHEREAS, on the Effective Date, based on an estimated capital investment of \$21,000,000, the Granting Authority granted to the Company an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., **Code of Alabama 1975**, as amended) (the Act), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company exceeded the estimated capital investment of \$21,000,000; and

WHEREAS, the Company has submitted to the Granting Authority an Amended Application to Granting Authority for Abatement of Taxes dated January 11, 2017 (the Amended Application), copy attached as Attachment Two, which application indicates a capital investment of \$41,404,368; and

WHEREAS, construction of the Project was completed and placed in service as of September 30, 2008; and

WHEREAS, pursuant to the Act and based on the increased capital investment and completion of construction and placed in service date, the Company has requested from the Granting Authority an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Act, and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company has requested that the abatement of state and local non-educational property taxes be extended for a period of ten (10) years, in accordance with the Act; and

WHEREAS, the Company has requested the Granting Authority to enter into an Amended Tax Abatement Agreement based on the increased capital investment and change in the date construction was completed and the project placed in service; and

WHEREAS, the Granting Authority has considered the request of the Company and the completed Amended Application filed with the Granting Authority in connection with its

request; and

WHEREAS, the Granting Authority has found the information contained in the Company's Amended Application to be sufficient to permit the Granting Authority to make a reasonable cost/benefit analysis of the requested amendment, copy attached as Attachment Three, pages 1 and 2, and to determine the economic benefits to the community; and

WHEREAS, the Project will be described in the Amended Tax Abatement Agreement as an investment of approximately \$41,104,368, which consists of donated real property, \$450,000; construction of a new 200,000-square-foot manufacturing facility, \$15,147,283; purchase and installation of new manufacturing machinery, \$23,827,769; transfer and installation of existing personal property located outside of the State of Alabama, \$728,908; and, purchase and installation of other new personal property, \$950,408; and

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

WHEREAS, the Granting Authority represents and warrants to the Company that it has power under that constitution and laws of the State of Alabama, including particularly the provision of the Act, to carry out provisions of the Amended Tax Abatement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Muscle Shoals, Alabama, the Granting Authority, as follows:

Section 1. Approval is hereby given to the Amended Application of the Company and abatement is hereby granted of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., **Code of Alabama 1975**, as amended), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated.

Section 2. The period of abatement for the non-educational property taxes shall extend for a period of ten (10) years measured as provided in Section 40-9B-11 of the Act, unless the company ceases operation for which these property tax abatements are granted. Should the company cease operation the abatements granted herein are considered null and void.

Section 3. The governing body of the Granting Authority is authorized to enter into an Amended Tax Abatement Agreement with the Company to provide for the abatement granted in Section 1. The Mayor is hereby authorized to execute and deliver, for and in the name and behalf of the City Council of Muscle Shoals, Alabama, an Amended Tax Abatement Agreement to provide for the abatements granted in Section 1, and the City Clerk is hereby authorized to affix the seal of the City to said Amended Tax Abatement Agreement and to attest the same.

Section 4. The Granting Authority hereby does not assess a fee to the Company.

Section 5. A certified copy of this Resolution, along with the Original Application, Amended Application, and Amended Tax Abatement Agreement, shall be forwarded to the Company to deliver to the appropriate local taxing authorities and to the Alabama Department of Revenue in accordance with the Act.

RESOLVED FURTHER that the Mayor and the City Clerk are hereby authorized and directed to execute, deliver, seal, and attest to such other ancillary documents and certificates as may be necessary to effect the transaction authorized by this Resolution.

RESOLVED FURTHER that the governing body of the Granting Authority is authorized to take any and all actions necessary or desirable to accomplish the purpose of the foregoing of this Resolution.

Council Member Sockwell seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for immediate consideration had passed unanimously. Council Member Lockhart moved that the Resolution be approved. Council Member Sockwell seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for approval of the Resolution was approved unanimously.

President Noles announced that the next item of business was consideration of a resolution to amend the 2010 tax abatement agreement with North American Lighting.

Council Member Sockwell introduced the following resolution and moved for its immediate consideration:

RESOLUTION NUMBER 2865 - 17
Resolution to Amend September 7, 2010, Resolution of
The City Council of Muscle Shoals

This Resolution is made this 17th day of January 2017 by the City Council of Muscle Shoals, Alabama (the Granting Authority) to include an increase in capital investment and a change in the date construction was completed and the project was placed in service in the tax abatements granted to North American Lighting, Inc. (the Company) on September 7, 2010 (the Effective Date), and amend the Tax Abatement Agreement (the Original Agreement) dated September 7, 2010, between the Granting Authority and the Company.

WHEREAS, on the Effective Date, the Granting Authority considered the Application to Granting Authority for Abatement of Taxes dated September 2, 2010 (the Original Application), copy attached as Attachment One, presented by the Company requesting abatement of the non-educational portion of property and sales and use taxes associated with the Company's major addition that included the acquisition and installation of new manufacturing machinery and transfer of existing personal property from outside the State of Alabama to its manufacturing facility located in the Shoals Research Airpark, located in the City of Muscle Shoals, Colbert County, Alabama (the Project) within the jurisdiction of the Granting Authority; and

WHEREAS, construction of the Project was estimated to be complete and placed in service on December 31, 2012; and

WHEREAS, the Original Application indicated an estimated capital investment of \$10,207,544, which consisted of \$1,500,000, existing personal property, and \$8,707,544, new manufacturing machinery; and

WHEREAS, on the Effective Date, based on an estimated capital investment of \$10,207,544, the Granting Authority granted to the Company an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., **Code of Alabama 1975**, as amended) (the Act), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company exceeded the estimated capital investment of \$10,207,544; and

WHEREAS, the Company has submitted to the Granting Authority an Amended Application to Granting Authority for Abatement of Taxes dated January 11, 2017 (the Amended Application), copy attached as Attachment Two, which application indicates a capital investment of \$11,242,127; and

WHEREAS, construction of the Project was completed and placed in service as of September 30, 2014; and

WHEREAS, pursuant to the Act and based on the increased capital investment and completion of construction and placed in service date, the Company has requested from the Granting Authority an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Act, and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company has requested that the abatement of state and local non-educational property taxes be extended for a period of ten (10) years, in accordance with the Act; and

WHEREAS, the Company has requested the Granting Authority to enter into an Amended Tax Abatement Agreement based on the increased capital investment and change in the date construction was completed and the project placed in service; and

WHEREAS, the Granting Authority has considered the request of the Company and the completed Amended Application filed with the Granting Authority in connection with its request; and

WHEREAS, the Granting Authority has found the information contained in the Company's Amended Application to be sufficient to permit the Granting Authority to make a reasonable cost/benefit analysis of the requested amendment, copy attached as Attachment Three, pages 1 and 2, and to determine the economic benefits to the community; and

WHEREAS, the Project will be described in the Amended Tax Abatement Agreement as an investment of approximately \$11,242,127, which consists of purchase and installation of new manufacturing machinery, \$9,742,127, and transfer and installation of existing personal property located outside of the State of Alabama, \$1,500,000; and

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

WHEREAS, the Granting Authority represents and warrants to the Company that it has power under that constitution and laws of the State of Alabama, including particularly the provision of the Act, to carry out provisions of the Amended Tax Abatement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Muscle Shoals, Alabama, the Granting Authority, as follows:

Section 1. Approval is hereby given to the Amended Application of the Company and abatement is hereby granted of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., **Code of Alabama 1975**, as amended), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated.

Section 2. The period of abatement for the non-educational property taxes shall extend for a period of ten (10) years measured as provided in Section 40-9B-11 of the Act, unless the company ceases operation for which these property tax abatements are granted. Should the company cease operation the abatements granted herein are considered null and void.

Section 3. The governing body of the Granting Authority is authorized to enter into an Amended Tax Abatement Agreement with the Company to provide for the abatement granted in Section 1. The Mayor is hereby authorized to execute and deliver, for and in the name and behalf of the City Council of Muscle Shoals, Alabama, an Amended Tax Abatement Agreement to provide for the abatements granted in Section 1, and the City Clerk is hereby authorized to affix the seal of the City to said Amended Tax Abatement Agreement and to attest the same.

Section 4. The Granting Authority hereby does not assess a fee to the Company.

Section 5. A certified copy of this Resolution, along with the Original Application, Amended Application, and Amended Tax Abatement Agreement, shall be forwarded to the Company to deliver to the appropriate local taxing authorities and to the Alabama Department of Revenue in accordance with the Act.

RESOLVED FURTHER that the Mayor and the City Clerk are hereby authorized and directed to execute, deliver, seal, and attest to such other ancillary documents and certificates as may be necessary to effect the transaction authorized by this Resolution.

RESOLVED FURTHER that the governing body of the Granting Authority is authorized to take any and all actions necessary or desirable to accomplish the purpose of the foregoing of this Resolution.

Council Member Hall seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for immediate consideration had passed unanimously. Council Member Sockwell moved that the Resolution be approved. Council

Member Hall seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for approval of the Resolution was approved unanimously.

President Noles announced that the next item of business was consideration of a resolution to amend the 2011 tax abatement agreement with North American Lighting.

Council Member Hall introduced the following resolution and moved for its immediate consideration:

RESOLUTION NUMBER 2866 - 17
Resolution to Amend February 21, 2011, Resolution of
The City Council of Muscle Shoals

This Resolution is made this 17th day of January 2017 by the City Council of Muscle Shoals, Alabama (the Granting Authority) to include an increase in capital investment and a change in the date construction was completed and the project was placed in service in the tax abatements granted to North American Lighting, Inc. (the Company) on February 21, 2011 (the Effective Date), and amend the Tax Abatement Agreement (the Original Agreement) dated February 21, 2011, between the Granting Authority and the Company.

WHEREAS, on the Effective Date, the Granting Authority considered the Application to Granting Authority for Abatement of Taxes dated February 18, 2011 (the Original Application), copy attached as Attachment One, presented by the Company requesting abatement of the non-educational portion of property and sales and use taxes associated with the Company's major addition that included the construction of an addition to its existing manufacturing facility and the purchase and installation of new manufacturing machinery and other personal property in its manufacturing facility located in the Shoals Research Airpark, located in the City of Muscle Shoals, Colbert County, Alabama (the Project) within the jurisdiction of the Granting Authority; and

WHEREAS, construction of the Project was estimated to be complete on September 30, 2012, and placed in service on October 1, 2012; and

WHEREAS, the Original Application indicated an estimated capital investment of \$34,823,449, which consisted of \$12,500,000 for construction of an addition to its existing building; \$21,846,249, new manufacturing machinery; and, \$477,200, other new personal property; and

WHEREAS, on the Effective Date, based on an estimated capital investment of \$34,823,449, the Granting Authority granted to the Company an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax

Incentive Reform Act of 1992 (Section 40-9B-1 et seq., Code of Alabama 1975, as amended) (the Act), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company exceeded the estimated capital investment of \$34,823,449; and

WHEREAS, the Company has submitted to the Granting Authority an Amended Application to Granting Authority for Abatement of Taxes dated January 11, 2017 (the Amended Application), copy attached as Attachment Two, which application indicates a capital investment of \$51,265,139; and

WHEREAS, construction of the Project was completed and placed in service as of September 30, 2014; and

WHEREAS, pursuant to the Act and based on the increased capital investment and completion of construction and placed in service date, the Company has requested from the Granting Authority an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Act, and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company has requested that the abatement of state and local non-educational property taxes be extended for a period of ten (10) years, in accordance with the Act; and

WHEREAS, the Company has requested the Granting Authority to enter into an Amended Tax Abatement Agreement based on the increased capital investment and change in the date construction was completed and the project placed in service; and

WHEREAS, the Granting Authority has considered the request of the Company and the completed Amended Application filed with the Granting Authority in connection with its request; and

WHEREAS, the Granting Authority has found the information contained in the Company's Amended Application to be sufficient to permit the Granting Authority to make a reasonable cost/benefit analysis of the requested amendment, copy attached as Attachment Three, pages 1 and 2, and to determine the economic benefits to the community; and

WHEREAS, the Project will be described in the Amended Tax Abatement Agreement as an investment of approximately \$51,265,139, which consists of construction of an addition, approximately 200,000 square feet, to its manufacturing facility, \$12,500,000; purchase and installation of new manufacturing machinery, \$38,287,939; and, purchase and installation of other new personal property, \$477,200; and

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

WHEREAS, the Granting Authority represents and warrants to the Company that it has power under that constitution and laws of the State of Alabama, including particularly the provision of the Act, to carry out provisions of the Amended Tax Abatement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Muscle Shoals, Alabama, the Granting Authority, as follows:

Section 1. Approval is hereby given to the Amended Application of the Company and abatement is hereby granted of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., Code of Alabama 1975, as amended), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated.

Section 2. The period of abatement for the non-educational property taxes shall extend for a period of ten (10) years measured as provided in Section 40-9B-11 of the Act, unless the company ceases operation for which these property tax abatements are granted. Should the company cease operation the abatements granted herein are considered null and void.

Section 3. The governing body of the Granting Authority is authorized to enter into an Amended Tax Abatement Agreement with the Company to provide for the abatement granted in Section 1. The Mayor is hereby authorized to execute and deliver, for and in the name and behalf of the City Council of Muscle Shoals, Alabama, an Amended Tax Abatement Agreement to provide for the abatements granted in Section 1, and the City Clerk is hereby authorized to affix the seal of the City to said Amended Tax Abatement Agreement and to attest the same.

Section 4. The Granting Authority hereby does not assess a fee to the Company.

Section 5. A certified copy of this Resolution, along with the Original Application, Amended Application, and Amended Tax Abatement Agreement, shall be forwarded to the Company to deliver to the appropriate local taxing authorities and to the Alabama Department of Revenue in accordance with the Act.

RESOLVED FURTHER that the Mayor and the City Clerk are hereby authorized and directed to execute, deliver, seal, and attest to such other ancillary documents and certificates as may be necessary to effect the transaction authorized by this Resolution.

RESOLVED FURTHER that the governing body of the Granting Authority is authorized to take any and all actions necessary or desirable to accomplish the purpose of the foregoing of this Resolution.

Council Member Willis seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for immediate consideration had passed unanimously. Council Member Hall moved that the Resolution be approved. Council Member Willis seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for approval of the Resolution was approved unanimously.

President Noles announced that the next item of business was consideration of a resolution to amend the 2013 tax abatement agreement with North American Lighting.

Council Member Willis introduced the following resolution and moved for its immediate consideration:

RESOLUTION NUMBER 2867 - 17
Resolution to Amend March 14, 2013, Resolution of
The City Council of Muscle Shoals

This Resolution is made this 17th day of January 2017 by the City Council of Muscle Shoals, Alabama (the Granting Authority) to include an increase in capital investment and a change in the date construction was completed in the tax abatements granted to North American Lighting, Inc. (the Company) on March 14, 2013 (the Effective Date), and amend the Tax Abatement Agreement (the Original Agreement) dated March 14, 2013, between the Granting Authority and the Company.

WHEREAS, on the Effective Date, the Granting Authority considered the Application to Granting Authority for Abatement of Taxes dated March 8, 2013 (the Original Application), copy attached as Attachment One, presented by the Company requesting abatement of the non-educational portion of property and sales and use taxes associated with the Company's major addition that included donated land, the transfer of existing personal property from outside the State of Alabama, the construction of an addition to its existing manufacturing facility, and the purchase and installation of new manufacturing machinery and other personal property in its manufacturing facility located in the Shoals Research Airpark, located in the City of Muscle Shoals, Colbert County, Alabama (the Project) within the jurisdiction of the Granting Authority; and

WHEREAS, construction of the Project was estimated to be complete on January 1, 2014; and

WHEREAS, the Original Application indicated an estimated capital investment of \$36,458,859, which consisted of \$180,000, donated land; \$149,650, existing personal property; \$19,688,000 an addition to its existing building; \$14,295,526, new manufacturing machinery; and, \$2,145,683, other new personal property; and

WHEREAS, on the Effective Date, based on an estimated capital investment of \$36,458,859, the Granting Authority granted to the Company an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., **Code of Alabama 1975**, as amended) (the Act), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company exceeded the estimated capital investment of \$36,458,859; and

WHEREAS, the Company has submitted to the Granting Authority an Amended Application to Granting Authority for Abatement of Taxes dated January 11, 2017 (the Amended Application), copy attached as Attachment Two, which application indicates a capital investment of \$124,053,160; and

WHEREAS, construction of the Project was completed as of October 31, 2015; and

WHEREAS, pursuant to the Act and based on the increased capital investment and completion of construction date, the Company has requested from the Granting Authority an abatement of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Act, and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated; and

WHEREAS, the Company has requested that the abatement of state and local non-educational property taxes be extended for a period of ten (10) years, in accordance with the Act; and

WHEREAS, the Company has requested the Granting Authority to enter into an Amended Tax Abatement Agreement based on the increased capital investment and change in the date construction was completed; and

WHEREAS, the Granting Authority has considered the request of the Company and the completed Amended Application filed with the Granting Authority in connection with its request; and

WHEREAS, the Granting Authority has found the information contained in the Company's Amended Application to be sufficient to permit the Granting Authority to make a reasonable cost/benefit analysis of the requested amendment, copy attached as Attachment Three, pages 1 and 2, and to determine the economic benefits to the community; and

WHEREAS, the Project will be described in the Amended Tax Abatement Agreement as an investment of approximately \$124,053,160, which consists of donated land, \$180,000; transfer of existing personal property from outside the State of Alabama, \$149,650; construction of an addition, approximately 200,000 square feet, to its manufacturing facility, \$19,688,000; purchase and installation of new manufacturing machinery, \$101,889,827; and, purchase and installation of other new personal property, \$2,145,683; and

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

WHEREAS, the Granting Authority represents and warrants to the Company that it has power under that constitution and laws of the State of Alabama, including particularly the provision of the Act, to carry out provisions of the Amended Tax Abatement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Muscle Shoals, Alabama, the Granting Authority, as follows:

Section 1. Approval is hereby given to the Amended Application of the Company and abatement is hereby granted of all state and local non-educational property taxes and all construction-related transaction taxes, except those construction-related transaction taxes levied for educational purposes or for capital improvements for education, as the same may apply to the fullest extent permitted by the Tax Incentive Reform Act of 1992 (Section 40-9B-1 et seq., **Code of Alabama 1975**, as amended), and except the 0.5% general sales and use taxes levied by Colbert County, which pursuant to Alabama Act No. 2007-351 cannot be abated.

Section 2. The period of abatement for the non-educational property taxes shall extend for a period of ten (10) years measured as provided in Section 40-9B-11 of the Act, unless the company ceases operation for which these property tax abatements are granted. Should the company cease operation the abatements granted herein are considered null and void.

Section 3. The governing body of the Granting Authority is authorized to enter into an Amended Tax Abatement Agreement with the Company to provide for the abatement granted in Section 1. The Mayor is hereby authorized to execute and deliver, for and in the name and behalf of the City Council of Muscle Shoals, Alabama, an Amended Tax Abatement Agreement to provide for the abatements granted in Section 1, and the City Clerk is hereby authorized to affix the seal of the City to said Amended Tax Abatement Agreement and to attest the same.

Section 4. The Granting Authority hereby does not assess a fee to the Company.

Section 5. A certified copy of this Resolution, along with the Original Application, Amended Application, and Amended Tax Abatement Agreement, shall be forwarded to the Company to deliver to the appropriate local taxing authorities and to the Alabama Department of Revenue in accordance with the Act.

RESOLVED FURTHER that the Mayor and the City Clerk are hereby authorized and directed to execute, deliver, seal, and attest to such other ancillary documents and certificates as may be necessary to effect the transaction authorized by this Resolution.

RESOLVED FURTHER that the governing body of the Granting Authority is authorized to take any and all actions necessary or desirable to accomplish the purpose of the foregoing of this Resolution.

Council Member Lockhart seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for immediate consideration had passed unanimously. Council Member Willis moved that the Resolution be approved. Council Member Lockhart seconded the motion and upon said motion being put to a vote a roll call was had and the vote recorded as follows:

AYES: Council Member Hall, Council Member Willis, Council Member Lockhart,
Council Member Sockwell, Council Member Noles

NAYS: None

President Noles announced that the motion for approval of the Resolution was approved unanimously.

There being no further business to come before the meeting, upon the motion duly made and seconded the meeting was adjourned.

CITY OF MUSCLE SHOALS, ALABAMA
a Municipal Corporation

COUNCIL MEMBER - PLACE ONE

COUNCIL MEMBER - PLACE TWO

COUNCIL MEMBER - PLACE THREE

COUNCIL MEMBER - PLACE FOUR

COUNCIL MEMBER - PLACE FIVE

ATTEST:

CITY CLERK