



City of Foley, AL

The City of Foley Public
Facilities Cooperative
District
407 East Laurel Avenue
Foley, Alabama 36535

Meeting Minutes - Final

Public Facilities Cooperative District

Thursday, February 4, 2016

4:00 PM

Conference Room

01-28-2016 Scheduled Meeting re-scheduled for 02-04-2016

Call to Order

Chairman Charles J. Ebert, III called the Public Facilities Cooperative District meeting to order at 4:00 p.m.

Roll Call

All board members were present with the exception of members Roderick Burkle, Clyde Abrams, Jr., and Ralph Hellmich. Others present were Vickey Southern (Recording Secretary), Mike Thompson, Jeff Rouzie and Sue Steigerwald.

Present: 4 - Charles Ebert III, David Rauch, Rick Blackwell and Vera Quaites

Absent: 3 - Roderick Burkle, Clyde Abrams Jr. and Ralph Hellmich

Approval of the Minutes

[16-0050](#)

10-12-2016 PFCD Minutes

Attachments: [10-12-2016 PFCD MINUTES.pdf](#)

The Public Facilities Cooperative District Minutes of October 12, 2015 were unanimously approved on motion by Mr. Rauch and seconded by Mr. Blackwell.

Old Business

[16-0052](#)

Discuss sale of property to WBL

Mr. Rouzie reported the sale price is \$1.3 million. The buyer is to pay 20% (\$260,000) down at closing. The City is to use the amount needed from the closing proceeds to make the necessary repairs to Wolf Bay Lodge. Mr. Rouzie proposed the District Fee be extended for 15 years, which is the length of the note. The fee would be used to repay the City for the repairs to the Wolf Bay Lodge building and once the repairs are completed the district fee collection would go towards the maintenance of the parking area, ingress/egress areas that the City has easements rights.

Mrs. Haber would like to purchase the Lodge and have the City do the repairs but if we do that the City will have to put the work out to bid because it is over \$50,000. In doing this it will extend the closing on the property. The City could just give her a credit for the cost of the repairs and have her do the repairs. She will need to determine what she wants us to do. If the Cooperative District did the repairs we would not have to do a competitive bid but we would still try to do one where possible.

Mr. Rauch asked if the warranty would go with the change in ownership. Mr. Thompson reported that the City would require that from the contractor prior to them doing the work.

Mr. Rouzie reported, in regards to the continuation of the Cooperative District \$.01 User Fee, Mrs. Haber has agreed that the City could payoff the \$100,000 rehab costs of the building from the user fee first. After the rehab expenses have been paid off then the user fee can be collected for the purpose of the maintenance and upkeep of the infrastructure, i.e. repaving parking areas, curb and gutter refurbishment, landscaping etc. She has agreed to this and it will benefit both the City and Wolf Bay Lodge.

Mr. Thompson reported today the user fee is collected and used dollar for dollar to collect the rent rate. She gets the benefit of the rent rate but when she purchases the property the user fee will be held by the City to reimburse the City: 1) for the repairs made on Wolf Bay Lodges' building, and 2) to fund repairs, maintenance on the parking lot, landscaping, etc. that benefit WBL, the City and other tenants at the Farmers Market. Mrs. Haber gets roughly \$33,000 per year so it would take approximately three years to pay off the rehab expenses and then it would begin to start building up in the general fund for the repairs.

Ms. Steigerwald asked what would happen if there was more money collected than what the City could spend on the repairs in the project area. Mr. Thompson reported they would spend it in the project area if they have to expand the parking. There is an area of Wolf Bay Lodge's parking that has not been paved yet. There was a discussion regarding a common area that Moe's and some other tenants pay a common area maintenance fee and not a user fee.

Mr. Rauch reiterated that the City will be carrying the mortgage on the building and not the Cooperative District. Mr. Rouzie reported yes that is correct. Chairman Ebert reported he would like to see the user fee not be tied to the length of the mortgage but rather just continue it and not have a sunset clause.

What if she pays the mortgage off early? He would like to have it indefinitely. Mr. Rouzie reported that he thought that there had to be a ceiling on it. Mr. Thompson reported the ceiling has to be tied to the debt of the site. Mr. Rouzie reported the City still has a debt of \$1.1 million plus the \$100,000 repairs.

Mr. Rauch asked would it be reasonable to escrow a percentage of the payments to create an escrow account for the Cooperative District to do future maintenance repairs so that the issue of the length of the fee or amount collected would not be an issue. Mr. Rouzie reported the restaurant is still bringing in \$3 million annually so that is over \$30,000 we are collecting annually. You could set aside something and maybe look at that down the road during a time that the user fee is reaching its maximum. With the other tenants they pay a common area maintenance, their share of insurance, utilities, but they are tenants; however, they might in seven years. Mr. Thompson reported if the Cooperative District agrees to move forward the City Council has already agreed to do the mortgage, the Council can choose to do whatever they want with the money. If they want to set aside some portion of the money for something else they have complete authority to do so. For now it is going into the General Fund.

Mr. Rauch asked where the \$250,000 coming from at closing. Mr. Rouzie reported that it will be cash. The note is secured by a Vendor's Lien as to the property and a personal guaranty agreement executed by Charlene Haber, the City and the Cooperative District. No other mortgage or lien shall be permitted against the property. Mr. Rouzie further reported the property has a restrictive covenant requiring the property be used and occupied by the purchaser for a first class sit down family restaurant. The seller retains the option to repurchase if for some reason things didn't go good. The City has the first right of refusal to purchase the property. Mr. Rauch asked if the City holds the mortgage doesn't the City own the property if she fails to pay the mortgage. Mr. Rouzie reported yes but it is just a secondary precaution. There will be a parking area easement prior to closing, and the seller will record an easement agreement. The invoice from MCS Contractors is \$94,806 in addition to work in house to help with the drainage to run the water away from the building. They would like to close in a couple of weeks. We still have questions that Heyward Hosch and Casey Pipes will have to answer prior to moving forward. Mr. Rouzie reported these are basic plans and he is looking for a consensus to move forward.

Mr. Thompson reported the District agreed to terminate the lease agreement last year and sell the property. There is a little bit of difference in the deal and they wanted to be sure the District was comfortable with the City extending the Cooperative District User Fee and changing the use of the fee from Mrs. Haber's sole benefit to the benefit of the City, Wolf Bay Lodge and other businesses around there by doing the maintenance around the area.

Chairman Ebert asked for a consensus on the sale of the property under the conditions set forth. There was a consensus from those present to move forward.

[16-0064](#)

Rescind Resolutions 15-0111 regarding the transfer of property to the City of Foley for the use by Craine Creek Farms

Attachments: [PFCD 15-0111 RES.pdf](#)

Craine Creek Farms will not be purchasing or leasing the parcel so resolution 15-0111 needs to be rescinded. Mr. Rauch made a motion to rescind resolution 15-0111 and Mr. Blackwell seconded the motion. The vote passed unanimously.

Enactment No: 16-0119 PFCD

New Business

[16-0051](#)

Discuss Retail Site

There were no visitors so Jeff went on to discuss information on a retail site.

Visitor Comments

There were no visitor comments to report.

Adjourn

Hearing no further comments to report Mr. Rauch made a motion to adjourn and Mrs. Quaites seconded the motion, which passed unanimously. The meeting adjourned at 4:50 p.m.