

MINUTES OF SPECIAL MEETING  
OF THE CITY COUNCIL OF HUNTSVILLE, ALABAMA,  
HELD MONDAY, FEBRUARY 17, 2014

The Honorable Council of the City of Huntsville, Alabama, met in Special Session on Monday, February 17, 2014, at 5 p.m., in the Council Chambers of the Municipal Building, there being present:

President:	Russell
Councilpersons:	Culver, Olshefski, Kling, Showers
Mayor:	Battle
City Administrator:	Hamilton
City Attorney:	Joffrion
City Clerk-Treasurer:	Hagood

President Russell called the Special Session of the Council to order, stating that he had called the meeting in order to consider a resolution authorizing the Mayor to execute a Project Development Agreement among the City of Huntsville, Alabama; Madison County, Alabama; the Industrial Development Board of the City of Huntsville; and Remington Outdoor Company, Inc.; and other business to come before the Council.

President Russell recognized Mayor Battle.

Mayor Battle stated that he would like to introduce some guests in attendance at the meeting. He recognized Madison County Commission Chairman Dale Strong, noting that he had been a great partner in working through the matter that was to come before the Council. He continued that the Madison County

Commission had an investment in the project, just as the City did. He stated that Mr. Joey Ceci, the Director of Long-Range Retail and Industrial Projects for Madison County, was also present. He continued that also present was Mr. Chip Cherry, President and CEO of the Chamber of Commerce, whom he noted would be taking part in the presentation.

Mayor Battle stated that, as everyone was aware, throughout this process, they had all been under a non-disclosure. He stated that they had started in April of the prior year under a non-disclosure and that the non-disclosure had ended at 2 p.m. on this date, when Remington Outdoor Company, Inc., had announced they would be expanding their operations to the city of Huntsville.

Mayor Battle stated that at this time they wanted to lay out all the details of this matter, noting that they had tried to keep the Council involved in this in one-on-one meetings, talking to them throughout the process, to make sure that they understood the project. He stated that the Council members had also been under a non-disclosure, so they had not been able to talk about the matter.

Mayor Battle stated that this was the time and place where they would lay out the project, through persons who worked for the City of Huntsville and their representatives, that they would present the Industrial Recruitment, Project Overview, Development Agreement, and the mechanics of it. He stated that Huntsville's commitment would be presented by Mr. Randy Taylor,

City of Huntsville Finance Director; the Return on Community Investment would be presented by Mr. Chip Cherry of the Chamber of Commerce; and that he would make the final presentation.

President Russell stated that the Council had four items to vote on at this meeting: the resolution authorizing the Mayor to execute a Project Development Agreement; a Budget Ordinance resolution to amend Budget Ordinance No. 13-360; a resolution to amend the City of Huntsville Capital Improvement Plan; and a resolution honoring the Rev. Dr. Oscar L. Montgomery, Sr.

President Russell stated that the Council needed to add the resolution concerning Dr. Montgomery to the agenda at this time.

President Russell moved to add to the agenda a resolution honoring the Rev. Dr. Oscar L. Montgomery, Sr., which motion was duly seconded by Councilman Showers and was unanimously approved.

President Russell stated that the item would be added to the agenda.

President Russell stated that the format he would like to follow concerning the Project Development Agreement was that he would put the item on the floor; the Mayor would go through his proposal, as he had mentioned; they would take public comment; the Council members could discuss the matter and ask questions; and then they would vote on it. He continued that the Budget Ordinance and the resolution would be considered

immediately after that; and then they would handle the next resolution on the agenda.

President Russell read and introduced a resolution authorizing the Mayor to execute a Project Development Agreement among the City of Huntsville, Alabama; Madison County, Alabama; the Industrial Development Board of the City of Huntsville; and Remington Outdoor Company, Inc., as follows:

(RESOLUTION NO. 14-129)

President Russell moved for approval of the foregoing resolution, which motion was duly seconded by Councilman Showers.

President Russell recognized Mayor Battle.

Mayor Battle called on Ms. Michelle Jordan, City of Huntsville Director of Economic Development, to speak concerning the Industrial Recruitment process and what they had been looking for in this project.

Ms. Jordan appeared before the Council, stating that the City of Huntsville had an incredible track record in recruiting high-tech industry in the fields of research and development, manufacturing for the space and missile defense industry, the biomedical sector, and the automotive sector. She continued that manufacturing was an important part of the city's economic diversification. She stated that they were making huge strides in connecting their intellectual and research and development capabilities with production opportunities.

Ms. Jordan stated that they were extremely proud that the

area was quickly becoming a hub for the manufacturing and advanced manufacturing industry, with companies such as Toyota, Navistar, Raytheon, Boeing, SESI, Sanmina-Sci, LG, Teledyne Brown, Northrop, Adtran, and others locating in the area and deciding to expand in the area.

Ms. Jordan stated that in recent years the City had increased its efforts on working to diversify the job market and the economy, with an increased focus on manufacturing and advanced manufacturing sectors. She stated that Remington Outdoor Company, Inc., aligned perfectly with the City's economic development mission of increasing the manufacturing and advanced manufacturing sector in its economy. She continued that they were confident that the City's highly skilled work force would add to Remington's long-standing history of being a leader in this industry.

Ms. Jordan stated that the announcement on this date represented yet another vote of confidence in Huntsville.

Mayor Battle stated that this would also be a diversity in the city's economic base, noting that it was a diversity that went toward private enterprise and not as much toward government contracting, which he noted was another added plus for the project.

Mayor Battle stated that Mr. Shane Davis, Director of Urban Development, would present the Project Overview. He stated that Mr. Davis was one of the reasons this project had happened, that he had worked tirelessly through it, day and

night. He stated that he had done an excellent job on this and congratulated him, noting that he was one of the unsung heroes of the project.

Mr. Davis appeared before the Council, stating that he wanted to present an overview of Project Traveler.

Mr. Davis stated that the City of Huntsville, along with the Chamber of Commerce, the North Alabama Industrial Development Association, the State of Alabama, and Madison County had commenced contending for Project Traveler in July of 2013. He stated that with the assistance of M.R. Press Consulting, the project RFP process was submitted and evaluated with 24 states and numerous cities to determine the best expansion location for Remington Outdoor Company.

Mr. Davis stated their team had determined, in reviewing the RFP, that the best opportunity for the city on this project would be to submit a proposal based on locating the project at 100 Electronics Boulevard in the Jetplex Industrial Park. He stated that this location had a 145-acre campus and was a multi-building campus, encompassing approximately 900,000 square feet of both office, research and development, manufacturing, and distribution space. He continued that it was located in a foreign trade zone and had excellent access to I-565, Huntsville's International Intermodal Center, and the Huntsville International Airport.

Mr. Davis stated that the project consisted of a phased-in plan of both manufacturing, research and development,

warehousing, and associated support employment at the 900,000 square foot, multi-building campus. He reiterated that the project location was at 100 Electronics Boulevard.

Mr. Davis stated that the full-time employment created from the project would be up to 2,000 positions, noting that 1868 were guaranteed under the development agreement. He continued that the capital investment by Remington was guaranteed at \$110,900,000. He stated that the hourly wage would average \$20.19, exclusive of benefits. He stated that on the full-time employment created, the annual average salary would be \$42,000.

Mr. Davis stated that the 11-year projection of jobs created was as follows, and presented slides displaying this:

Year 1: Capital investments, facility improvements, equipment installation and setup, work force development/training, by Remington.

Year 2: Accelerated ramp-up of 280 jobs committed.

Year 8: Full employment of the number guaranteed in the development agreement.

Mr. Davis stated that they would then move forward. He stated that the development agreement was based off the incentives.

Mr. Davis stated that the overall local incentive commitments by the community were as follows: \$9.5 million to be committed by the City of Huntsville, \$3 million by Madison County, and \$2 million by the Industrial Development

Board, for a total of \$14.5 million in local incentives to bring Remington Outdoor Company to the community. He continued that the Industrial Development Board of Huntsville's commitment was through partnerships with Morgan County, Limestone County, the City of Athens, and the Limestone County Economic Development Association.

Mr. Davis stated, concerning background information on Remington, that Remington Outdoor Company, Inc., was founded in 1816 in New York as R.E. Remington & Sons, and that the company was a leader in designing, producing, and selling sporting goods products for the hunting and shooting sports markets, as well as military, government, and law enforcement markets. He stated that it was the largest U.S. producer of shotguns and rifles for sporting, law enforcement, and military use. He continued that it was the oldest company in the United States which still made its own original product and was the oldest continually operating manufacturer in North America. He continued that its products were distributed to over 60 foreign countries, with annual revenues exceeding \$1 billion.

Mayor Battle stated that Mr. Davis had presented the mechanics of the agreement, an overview of the project, and that at this time he would call on Mr. Rod Kanter, noting that he had been working through this at all hours of the day and night, putting together the development agreement, in conjunction with Mr. Peter Joffrion, the City Attorney. He asked Mr. Kanter to present the development agreement

mechanics, what the requirements were on the City's side and on Remington's side.

Mr. Kanter appeared before the Council, stating that he was a Public Finance and Economic Development partner with Bradley Arant Boult Cummings. He stated that present with him was Mr. Trey Hill, one of his partners in the same group.

Mr. Kanter stated that the mechanics of the development agreement were centered around the two principal incentives for Remington, noting that the first incentive was one of \$12.5 million and the second was an incentive of \$2 million, for a total of \$14.5 million.

Mr. Kanter stated that he would discuss the first incentive and how it worked and then discuss the second incentive. He stated that this would be the easiest way to explain the agreement.

Mr. Kanter stated that the first incentive was very easy, that it was a \$12.5 million commitment. He continued that the money was to be used to acquire the land and the building, the old Chrysler Building, make some early capital improvements, and make it available for use by Remington. He stated that, as Mr. Davis had pointed out, there were hiring targets that Remington had over a two-year period of time.

Mr. Kanter stated that the way the development agreement worked was that they had taken that \$12.5 million initial incentive, divided it by 10, and allocated \$1,250,000 each of those years, that they had laid them up against each of the

years of the FTE, Full-Time Equivalent, hiring schedule that Mr. Davis had displayed.

Mr. Kanter stated that the agreement contained a clawback, noting that a clawback feature was, in essence, a feature that was used if a company did not meet its expected performance criteria. He continued that for each project year the company would fail to hire the minimum FTE it was committed to hire, or if it failed to satisfy the minimum average annual wage, then the company would make a payment to the City. He continued that the amount of the payment would be done pro rata, that it would depend on their performance, that if the company performed 50 percent of what it was supposed to do, the payment would be half of \$1,250,000, or \$625,000. He continued that if it performed 75 percent, the payment would be only a quarter of \$1,250,000, or \$312,500. He stated that if Remington performed, they would not pay anything.

Mr. Kanter stated that the agreement also had a second clawback feature, noting that that clawback feature was designed to make sure that the City and the other North Alabama partners got the long-term benefit of their bargain. He stated that, as had been mentioned, Remington was a long-time player in the markets they were in, that they had been around longer than just about any company one could imagine. He stated that, however, if for some reason they were to leave early, the agreement had a second clawback feature, whereby, depending on how early they would leave and how long they had been in the

city, they would owe money back, as well. He stated that if they left before the close of the sixth year, they would essentially either give the building and the land back or they would cut a check for \$12.5 million. He continued that if it was after year six, they would get a little credit for the amount of time they had performed. He stated that this worked out very, very nice, that it was a second layer.

Mr. Kanter stated that if Remington had to leave for reasons that were outside their control, very specified and narrowly tailored reasons, such as legislation impacting the production of firearms, then some of the payments they had made early on would count against what they would owe for having to leave early. He stated that, again, this was a long-term protection.

Mr. Kanter stated that the second incentive was a \$2 million incentive and that it was separate and apart from the one he had just described. He stated that this incentive did not have any sort of clawback feature. He continued that this was a bonus feature, that as the company performed and met FTE targets, the company would receive payments. He stated that for the first 250 FTE, which he noted was estimated by the end of Year 2, the company would receive \$500,000; and then for the second 250 FTE, for a total of 500 FTE, they would receive another \$500,000. He continued that when they hit 750 FTE, they would receive another \$500,000, and then when they got to 1,000 FTE, they would receive the last \$500,000.

Mr. Kanter stated that securing all of this, all the performance obligations of the company, was a mortgage, that the City would receive a foreclosable mortgage on the building and the land, so that if at any time during this period of time of performance, there would be a failure to perform, the City would always be secure by being able to foreclose on the building.

Mr. Kanter stated that it was a very protective structure as pertaining to the performance.

Mr. Kanter stated that he would like to add that there was this meeting of the Council where this agreement was to be approved, but because the agreement would be approved under provisions of Amendment 7-17, they needed to provide notice and meet the legal requirements. He stated that the notice would be in the newspaper on the following Wednesday, noting that it was a notice to say that the Council would be meeting again on February 27 to ratify and affirm this agreement, if it was approved at this meeting.

Mayor Battle stated that many persons would perhaps not know the meaning of a "clawback," noting that this was just a way to protect the taxpayers' money that would be put into this project, to make sure that what had been agreed upon, the conditions that had been agreed upon, would be met. He stated that there was no reason at all to ever expect that Remington would not meet, or exceed, every expectation they had, but that they had to protect the taxpayers in this, to make sure that if

something did happen and the expectations were not met, they would have a way to get their money back and to protect the taxpayers' dollars.

Mayor Battle stated that Mr. Randy Taylor, Director of Finance, would address Huntsville's commitment in this matter.

Mr. Taylor stated that, as Mr. Davis had already shown on a previous slide, the City's immediate commitment to the project was \$9.5 million. He stated that this would be the substantial component that would allow the facility and the capital contribution that the City was offering the company to be funded. He stated that this commitment would be funded very soon, after approval by the Council and after all the requirements had been met.

Mr. Taylor stated that the \$9.5 million from the City would be provided by the City of Huntsville's Capital Improvement Plan, noting that the City had a 10-year plan that supported its infrastructure, growth, and maintenance, and also economic development initiatives. He stated that this plan had been operating for approximately 23 years and had been doing this all along. He reiterated that the \$9.5 million was available in the Capital Fund. He continued that the Council would have before it later in the meeting a Budget Ordinance that would address this.

Mr. Taylor stated that the \$9.5 million inside the Capital Fund came from two primary sources, with No. 1 being an element in the Capital Fund that had supported another

economic development project 13 years prior, for which the City had made significant commitments, and they had decided to hold some money back to protect against the risk of that particular project not being as successful as they had thought it might be. He continued that that was a wise and conservative move by the Council in establishing TIF 3-A, back in 2001. He stated that because that project had matured and had provided ample resources to cover all of their obligations, they were not concerned at all about their ability to meet their commitments with TIF 3-A, so that some of that money was now available, back in the Capital Fund, to be used on another economic development project. He continued that some of the money would come from that source but that the largest portion would come from inside the Capital Fund itself.

Mr. Taylor stated that the Council had always supported a conservative policy in developing long-range plans, noting that this had protected them from the recession and had supported their AAA credit rating six times in a row. He continued that there was a reserve in the Capital Fund that they had always maintained to be available for things that they would not see coming, such as this project. He stated that with all the planning, there were still things that came to the city that presented opportunities, and they needed to be prepared to respond.

Mr. Taylor stated that these two amounts of money they had available would be what would be used to fund this commitment

by the Council.

Mayor Battle stated that one of the questions had been what this would do to the City's AAA rating and stated that Mr. Dotts had had a very good answer to this on the previous evening, being that it diversified the city's economy and that diversification of the economy had always been one thing the rating agencies had looked at: "How diverse is your economy?" He stated that this would help diversify it, so it would help to strengthen the AAA rating, according to conversations on the previous day.

Mayor Battle stated that the City would be making commitments in this agreement, that they would be paying out taxpayers' dollars, and that persons expected something back on this. He stated that Mr. Chip Cherry, CEO of the Chamber of Commerce, would address the economic development side of this, what the return would be on the community's investment.

Mr. Cherry stated that, as one could see on the slide being displayed, the total capital investment for Remington was projected to be \$110 million, the estimated annual payroll at approximately \$105 million, depending upon the employment level. He continued that he felt it would be much above that figure. He stated that one could see the property tax figure of \$9.5 million; sales tax of \$24 million; and income taxes of approximately \$12 million; and that other taxes were projected at \$5.2 million, for a total of \$50,800,000 a year when Remington got to full employment.

Mr. Cherry stated that one thing that was not reflected on the slide was secondary impact. He stated that based on their model, when Remington got to full employment in Year 8, the total number of induced employment, or persons who worked in retail, support services, things such as that, was projected to be 3460 additional jobs. He continued that the company would generate an additional \$139 million annually when they got to full employment. He stated that this would be a very strong return on investment for the City of Huntsville and the region.

Mr. Cherry stated that the next slide was showing the partnership that it had taken to bring this project to fruition. He stated that TVA had stepped up and provided funding for this particular project. He continued that partners in the region were funding \$5 million, in total, from the other four governments that were participating in this. He stated that he believed this was unprecedented and that it showed a great cooperation, how communities in the region had come together and seen the value of a large economic development project. He stated that this had been a very rewarding experience, to have been able to work with all these partners in order to accomplish this.

Mayor Battle thanked Mr. Cherry for the presentation and for all his work on this matter, noting that he had also spent countless hours on this project.

Mayor Battle stated that this was an economic development project for the city, that they would be investing in a company

coming into the city, providing up to 2,000 jobs, providing \$110 million worth of investment in the community. He continued that the City was also investing in a long-term industry that would be present for a long time.

Mayor Battle stated that they had put safeguards in the agreement to protect the taxpayers' dollars, that they were committing \$9.5 million of taxpayers' dollars and had put in the safeguards in order to protect those dollars, in some of the best ways they could. He stated that "clawbacks" was what they were called. He stated that they did not expect to ever have to touch those, noting that Remington was a very honorable company, that they had been very good to work with, and they had had a great relationship with them all the way through this process. He stated that, however, in order to protect the taxpayers, these had to be put in, so that they had put them in, made sure they were in the development agreement, which he noted was what the Council would be voting on at this meeting.

Mayor Battle stated that the development agreement did not inform one as to what the economic development would be that would come out of this project. He continued that the development agreement approached everything bad that could happen, everything that could happen down the road, about if Remington did not hit numbers, if this happened or if that happened, but that it did not address economic development.

Mayor Battle stated that the economic development was that the city had a better economic base at this time than before

this. He stated that they had the future of 2,000 more workers in the city, the future of an annual payroll of \$70 million, year in and year out. He continued that they also had an industry that could grow, noting that if one looked on any of the websites Remington was on, there were a lot of projects out there that could come to Huntsville.

Mayor Battle stated that they looked forward to bringing Remington to Huntsville and looked forward to working with them as a good partner over the future. He stated that he felt Chairman Strong had said it best, that when one started talking about the future, it was very bright for them. He stated that he believed the company wanted to make sure they could reach the numbers they were looking at, but that he felt they were probably minimal numbers.

Mayor Battle asked Chairman Strong if he had any comments at this time.

Chairman Strong replied in the negative.

Mayor Battle thanked Chairman Strong for his attendance at the meeting.

President Russell asked if there was anyone in the audience who would like to address the Council on this matter.

Ms. Jackie Reed, 303 Jack Coleman, appeared before the Council, stating that she felt they had done a great job on this project and she was glad they had called this meeting to let the public know what was going on, noting that that was a real concern to her.

Ms. Reed stated that she had worked many years in a manufacturing plant and with many companies in the city, and that she was glad to see the city back in the manufacturing business, noting that she believed this was great for the city.

Ms. Reed stated that she would be keeping her eyes on the money and the "if's." She asked that they do a good job and make sure the commitment was going on and jobs were filled. She stated that they should not keep borrowing money, that they should get all the money coming in.

Ms. Reed stated that she had a concern about the property. She asked if the City would be buying this property.

Mayor Battle stated that the City was buying the property and they would transfer a deed to Remington Outdoor Company, Inc., so that they would own the property, but that they would have a mortgage back to the City on the property, and that year-by-year the mortgage would be forgiven if the company met their FTE's, which he noted was the employment numbers. He continued that, also, it would be if they met their investment numbers. He stated that all this would determine if the City would forgive the amount that was to be paid each year. He stated that this was probably the best way to do what was called "clawbacks," because there was actually something they could fall back on rather than just falling back on the name and good reputation of the company and ending up with lawsuits with the company. He stated that that was the reason it was structured in this manner.

Mayor Battle stated that at the end of 10 years, if all the commitments were met, Remington would own the building, they would own the property. He continued that he felt it would be a good thing for them to own the property outright because he believed they would have a great future with it.

Ms. Reed inquired as to whether if the City owned the property, Remington would still have to pay property taxes.

Mayor Battle stated that the company would pay property taxes.

President Russell asked if there was anyone else in the audience who would like to address the Council on this matter.

There was no response.

Councilman Kling stated that Mr. Davis had mentioned, he believed, that the participation rate was going to be \$9.5 million from the City, \$3 million from Madison County. He asked what participation the State government would have in this.

Mayor Battle stated that the State government's incentive was \$50 million, as had been announced earlier on this date. He continued that the State government had stepped up to the table on this very well, noting that usually the State's incentive was three times the commitment of the local community, but that they had gone a little beyond that in this case. He stated that the City had a great partnership with the Department of Commerce and the Governor's office, that each one of them had stepped up to the plate.

Councilman Kling stated that reference had been made to other outlying communities and noted that this location would be near the city of Madison. He inquired as to the City of Madison's participation in this.

Mr. Davis stated that the commitment was with the City of Huntsville, Madison County, Morgan County, Limestone County, and the City of Athens.

Councilman Culver stated that he was excited about everything he had seen and heard on this matter. He stated that with all the revenue that would be generated, this was something that not only Huntsville and Madison County would feel but North Alabama as well. He stated that, however, what he had not heard addressed was the training. He asked if they were going to reach out to Calhoun Community College or to Drake College, and if they were going to perhaps look at some of the high schools, for offering training for these manufacturing jobs.

Mr. Davis stated that AIDT, Alabama Industrial Development Training, had committed a significant amount of funding for workforce development/training, and that the City, along with Madison County and the other partners who had contributed to this project, would be working with them as far as labor pools and getting the word out as to how to apply, how to get in the AIDT training center, so that once persons were trained through AIDT, they could apply for those jobs.

Mayor Battle stated that they might like to have

Ms. Jordan come back before the Council and address this issue. He stated that they had been discussing this, as to how to do job fairs, how to do outreach to make sure that everyone had a chance at these jobs, because they were good-paying jobs, good production jobs.

Mayor Battle stated to Ms. Jordan that she might want to mention her conversation with Mr. Ed Castille at AIDT.

Ms. Jordan stated that as soon as Remington was ready, the City was ready to partner with AIDT and the local colleges, community colleges, and hold job fairs. She stated that they wanted to make sure everyone throughout the community would know how to apply for these jobs, would know what the requirements were, and that if they needed any training, they would know how to get that training. She continued that they had made a commitment with the State and the State had made a commitment to them and to the company to ensure that the workforce pool would be made aware of all the opportunities and how to be a part of it.

Councilman Culver stated that he was certainly glad to hear that. He stated that he understood that Grissom High School had a manufacturing curriculum and asked if it would be possible to include high schools. He stated that he was hoping they could also do this at Johnson High, or Jemison High, as well, for those students who had chosen not to go to college, so that they would have an opportunity to perhaps start getting prepared their senior year in high school.

Mayor Battle stated that he could assure them that the Administration would be working with the School Board on any job outlets that were available, anything that they could do with the School Board. He stated that at each of the schools there were concentrations on how to be ready for the workforce when one came out of high school. He stated that they would be working with the city schools to make sure they were ready.

Councilman Culver stated that he was glad this location was in the hub of his district.

Councilman Olshefski stated to Mr. Davis that he had at times questioned staff work in the city, but that he was not questioning it at this time. He stated that they had done a phenomenal job over the prior months on this matter and that he was impressed with the team involved in this and how they had put it all together, with, of course, Mayor Battle, Mr. Hamilton, and Mr. Joffrion. He continued that, also, this had been going on when another one the City had been chasing that they did not get was also ongoing, noting that that had probably tripled their workload.

Councilman Olshefski stated that this was a big win, that it was bigger than big, because it was manufacturing. He stated that he appreciated everyone's work on this.

Councilman Olshefski stated that he was very excited about looking at the young people getting into this, because one thing he had learned was that there were young people who did not want four-year degrees, that they wanted to be electricians

or in one of the other cool jobs. He continued that this would provide the opportunity to open up something that they had never played in, gun making, and all that type of machinery.

Councilman Olshefski stated to Chairman Strong of the Madison County Commission that he appreciated all the support they had gotten from Madison County on this, and he also thanked Mr. Cherry. He stated that the Council members were aware of this and that they appreciated all the effort, that it was quite a team.

Councilman Olshefski stated that everyone involved in this should be thanked because it was big.

Councilman Showers stated that he was also delighted with the matter, stating to Mayor Battle that this had been one of the best kept secrets since he had served on the Council. He stated that the climaxing with the press conference earlier on this date was certainly a delight for Huntsville-Madison County.

Councilman Showers stated that he was looking at the incentives that had been committed in the resolution that was before the Council, by the City, Madison County, and the IDB, the Industrial Development Board.

Councilman Showers asked Mr. Davis if situations came into play so that any one of the entities would not be able to take care of the incentive that was agreed upon, what would be the plan to handle the deficit.

Mr. Davis stated that the development agreement laid out

that the City represented only its \$9.5 million. He continued that he believed Madison County would be a signatory to the development agreement.

Mr. Davis asked Chairman Strong if it was correct that there would be a meeting of the Madison County Commission on the following day where this matter would be considered.

Chairman Strong replied in the affirmative.

Mr. Davis stated that the Council would be voting to ratify this at the next regular Council meeting, on February 27, 2014.

Mr. Davis stated that Limestone County, Morgan County, and the City of Athens would be carrying out the same votes with their Commissions and Council prior to the ratification by the Council.

Mr. Davis stated that the way it was structured in the development agreement was that the Industrial Development Board's commitment would be coming through the other local entities. He stated that Mr. Joffrion might wish to provide a little more detail on this.

Councilman Showers asked where the commitment by the others that Mr. Davis had just named was shown in the document.

Mr. Davis stated that the commitments would be by a side agreement between the IDB and Limestone County, Morgan County, and the City of Athens. He stated that should the Council pass this resolution at this meeting, that would be forthcoming most likely in the next seven business days, between those entities.

Mayor Battle stated that three entities had been present at the announcement earlier in the day and all three were very excited about being a part of this. He continued that each of them had come up personally and talked to him, and he had thanked them for being a good partner, and they had thanked the City for working with them. He stated that they looked to gain just as much out of this as the City did. He continued that there would be some of the people living in Limestone County and Morgan County who were working there, because this was property at the airport, right on the county line. He stated that it was in the interest of each of these bodies to make this happen.

Mr. Davis stated that the other entities had made the commitment during the RFP process, that their budget was in place, that it was just pending a vote, the same as the Council was doing at this time.

President Russell stated to Mr. Kanter that he had questions for him, noting that he appreciated his willingness to answer questions at this time.

President Russell stated to Mr. Kanter that he had spoken about the first incentive, which he noted was \$12.5 million, with \$9.5 million from the City of Huntsville and \$3 million from Madison County. He inquired as to whether that was correct.

Mr. Kanter stated that it was \$9.5 million from Huntsville, and the remainder would ultimately be paid by the

County, \$2 million by the County up front and \$1 million by the Industrial Development Board. He stated that Madison County would be reimbursed by the Industrial Development Board at the beginning of 2015.

President Russell stated that Mr. Kanter had also discussed the second phase, which was the bonus money of \$2 million, and inquired as to the source for this.

Mr. Kanter stated that it was coming from the Industrial Development Board and it would be reimbursed by the other North Alabama governments.

President Russell stated that he had not really understood the bonus part of it. He asked if it was correct that if Remington met the projections, they would receive a bonus in the amount of \$500,000 from the Industrial Development Board money.

Mr. Kanter stated that that was correct. He continued that the bonus money was structured differently than the first incentive. He stated that it had to be taken into account that they were trying to incentivize the company to hire, to hire as quickly as they could, and get things moving. He continued that they would want to get the incentive money as quickly as they could, and that if they met the targets set out, they would get the payments.

President Russell stated that the part he didn't understand was if the bonus criteria was not met, and the \$500,000 was not paid, who would get the \$500,000. He asked if

it would count against the City's economic incentive or if it would go back to the Industrial Development Board and be split back to the entities that had put the money into the Industrial Development Board.

Mr. Kanter stated that it would go back and be split among the entities.

President Russell stated that, therefore, in some ways, they had the opportunity to get their money back. He asked if Mr. Kanter understood what he was saying, noting that they were just paying for the bonus, so the jobs would go on, and if the company did not meet the bonus criteria, then they would get their money back and would not have paid anything on this.

Mayor Battle stated that the City had the same thing in its agreement, with the \$12.5 million, that whatever would not be paid, would come directly back to the City and would not be shared amongst any of the others. He stated that there were more or less the same numbers in there.

Mr. Kanter stated that that was correct.

President Russell stated that, therefore, he assumed they were both at equal risk.

Mr. Kanter stated that that was absolutely correct.

Mr. Davis asked that they remember this was a two-phased approach, so that both of them had the same type return.

President Russell asked Mr. Cherry to answer a few questions for him, for the citizens.

President Russell stated that this was obviously one of

the biggest economic development projects he could recall working on and asked how often these came along, if they came up often. He continued that what he was wanting to know was if they should jump on it.

Mr. Cherry stated that they did not come every day. He stated that they were in an odd situation in the state because they did see a lot of activity, so that they had seen a couple of these. He continued that the most recent was the Boeing project, stating that, obviously, everyone knew how that had gone. He stated that as far as live, viable projects, they might see one of these every five or six years.

President Russell stated that, therefore, it was very special.

Mr. Cherry replied in the affirmative.

Mayor Battle stated that he had gotten messages from mayors across the state, and in some other areas, and that all of them would like to be in the City's situation at this time. He continued that he believed Chairman Strong had gotten messages from counties all over the state, and other places also, and they would also like to be in the County's position.

President Russell thanked Mayor Battle and his team for all the work, as well as Chairman Strong. He continued that he appreciated everyone's partnership, noting that he was very proud that Athens and some of the other counties and cities had joined in this partnership, that he felt very good about that part of it. He stated to Mayor Battle that it showed the

teamwork that he and Chairman Strong had, noting that this was really appreciated, that it was a great example for the community.

President Russell asked the Council members if they had any other questions on this matter.

Councilman Kling stated that he would also like to congratulate the Mayor and his staff, as well as the County, for all the teamwork. He stated that it was one of the first manufacturing plants of this type coming into the city. He stated that there were a large number of people in the Huntsville-Madison County, North Alabama area that would be able to provide good labor for this.

Councilman Kling stated that each year they got a report from the Tax Assessor's office that listed the largest property tax payers in Madison County and stated that he believed this would be a Top 10 participant in this, that that would show how big this was. He continued that based on those numbers, it would easily be one of the 10 largest industries in Huntsville-Madison County. He stated that this was definitely a big one and congratulated all the teams and governing bodies that had participated in this, noting that they had done a great job.

Councilman Olshefski asked if he was correct in understanding that Madison City had given nothing toward this project.

Mr. Davis stated that that was correct.

Councilman Olshefski stated that, therefore, there would be people living there and buying homes there and spending money there, et cetera, that they had the best school system in the country, and all the great things they had in Madison, but they had given nothing toward this.

Mr. Davis stated that they would just move forward.

President Russell called for the vote on Resolution No. 14-129, and it was unanimously adopted.

President Russell congratulated Mayor Battle.

Mayor Battle stated to Councilman Olshefski that there was something they had to consider concerning the city of Madison. He stated that Madison City was paying full freight on the Intergraph property that was being done, in conjunction with the County Commission. He continued that there were a number of persons who worked at Intergraph who lived in the city of Huntsville. He stated that with the freight Madison City was pulling at that time, he felt they had to say they were pulling their share.

Councilman Olshefski stated that he appreciated Mayor Battle's response.

Councilman Kling read and introduced an ordinance amending Budget Ordinance No. 13-360, adopted and approved on September 12, 2013, as follows:

(ORDINANCE NO. 14-130)

Councilman Kling moved for approval of the foregoing ordinance, which motion was duly seconded by

Councilman Showers.

President Russell asked Mr. Taylor for an explanation of the above ordinance.

Mr. Taylor stated that, as he had mentioned previously, the item consisted of two elements in the Capital Improvement Fund. He stated that there would be a transfer from the TIF 3-A fund in the amount of \$3.5 million, and that with that, coupled with the Capital Fund reserves, they would appropriate \$9.5 million for Project Remington. He continued that that money would be available to be spent as soon as the agreement was finally approved and they were ready to move forward.

Mr. Taylor stated that the second component of this was from the TIF 3-A fund, which he noted was where the reserves were being held that he had described. He stated that this was being transferred over to the Capital Fund and that it was \$3.5 million.

President Russell called for the vote on the above ordinance, and it was unanimously adopted.

Councilman Showers read and introduced a resolution amending the City of Huntsville Capital Improvement Plan, 2014-2023, Resolution No. 13-361, originally adopted on September 12, 2013, as follows:

(RESOLUTION NO. 14-131)

Councilman Showers moved for approval of the foregoing resolution, which motion was duly seconded by Councilman Kling.

President Russell recognized Mr. Taylor.

Mr. Taylor stated that this was a secondary action related to what the Council had just passed. He stated that the Council had just amended the budget, the official spending action, and that because they had a 10-year Capital Improvement Plan that required that all projects be listed, and the Remington project was not listed in the Capital Plan, it needed to be included in the long-range plan, as well as addressing a number of other minor things that had happened since the Council last adopted the plan in September 2013.

President Russell called for the vote on the above resolution, and it was unanimously adopted.

Councilman Showers read and introduced a resolution honoring Rev. Dr. Oscar L. Montgomery, Sr., during the 37th Pastor's Anniversary Celebration, as follows:

(RESOLUTION NO. 14-132)

Councilman Showers moved for approval of the foregoing resolution, which motion was duly seconded by Councilman Culver.

Councilman Culver read from the above resolution, noting that during Dr. Montgomery's 37 years at Union Hill Primitive Baptist Church, the church had gone from a small congregation of less than 60 members to more than 900 members at this time. He continued that along with Dr. Montgomery's designated duties as a caring pastor, he had introduced many innovative programs to the Union Hills Christian education ministry, and that he had provided leadership in the development of an on-site,

church-sponsored tutorial service for elementary, middle, and high school students. He continued that he had successfully led the church to construct a Christian worship and education facility and a community life center for the purpose of providing full-time daycare, meeting rooms, a fitness center, and a variety of recreational activities for the community.

Councilman Culver stated that he and Councilman Showers would be presenting this resolution on Sunday, February 23, 2014, at 4 p.m., at Union Hill Primitive Baptist Church, located on Winchester Road.

President Russell called for the vote on the above resolution, and it was unanimously adopted.

President Russell inquired as to whether there was any other business to come before the Council.

There was no response.

Upon motion, duly seconded, it was voted to adjourn.

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PRESIDENT OF THE CITY COUNCIL

ATTEST:

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CITY CLERK-TREASURER