

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Jul 24, 2014

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Huntsville and Madison County Railroad Authority loan from First Commercial Bank.

Exact Wording for the Agenda:

Resolution authorizing the Huntsville and Madison County Railroad Authority to borrow \$125,000 from First Commercial Bank.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

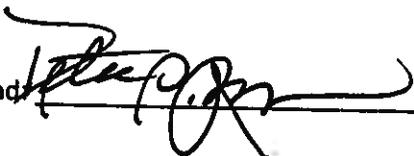
Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: _____

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 7.22.14

RESOLUTION NUMBER _____

A RESOLUTION AUTHORIZING THE HUNTSVILLE AND MADISON COUNTY RAILROAD AUTHORITY
TO OBTAIN AND SECURE A \$125,000.00 LOAN FROM FIRST COMMERCIAL BANK

BE IT HEREBY UNANIMOUSLY RESOLVED by the City Council of the City of Huntsville, a municipal corporation within the State of Alabama (herein referred to as the "Council") as follows:

SECTION 1. FINDINGS. The Council has ascertained, and hereby finds and determines, as follows:

A. The Huntsville and Madison County Railroad Authority, an Alabama non-profit, public corporation (herein referred to as the "Authority") was duly formed and came into existence as a body corporate on May 24, 1984 as evidenced by the Certificate of Incorporation of The Huntsville and Madison County Railroad Authority, an Alabama non-profit, public corporation, dated May 22, 1984, filed for record May 24, 1984, as Instrument Number 043917, and recorded in Corporation Book 75 at pages 900-06 in the Office of the Judge of Probate of Madison County, Alabama (herein referred to as the "Certificate of Incorporation");

B. The Certificate of Incorporation of the Authority provides in pertinent part that:

(6) The corporation shall have all powers conferred on corporations organized under said Act No. 84-179 and any amendment thereof hereafter made, and all other powers conferred upon corporations generally by the laws of Alabama not in conflict with the said Act No. 84-179, as it now exists or as it may be hereafter amended, provided however, that without the prior consent of the City Council or other governing body of the City of Huntsville, Alabama, and of the governing body of Madison County, evidenced by a duly adopted resolution of each body, the corporation shall not have the power:

(a) to issue or sell any bonds, notes or other obligations for payment of borrowed money having a maturity or due date more than twelve months from their date;

...

(c) to make any single expenditure in excess of \$100,000 that is chargeable by generally accepted accounting principles to fixed capital account . . ."

C. The Council is the governing body of the City of Huntsville, Alabama.

D. To promote its business, and to further its goals, it is necessary and expedient for the Authority to construct and repair the Authority's rail bed and tracks on its Green Cove Road property in Huntsville, Alabama (collectively the "Improvements").

E. To pay for the Improvements, it is necessary and expedient for the Authority to obtain from First Commercial Bank a loan in the amount of \$125,000.00 repayable over sixty (60) months together with interest thereon at the rate of 3.99%, which loan will be secured by a pledge of the Authority's accounts receivable (the "Loan").

F. It is in the best interests of the City, of the County, of the Authority, of the citizens of Huntsville, Alabama, and of the citizens of Madison County, Alabama, that the Authority make the Improvements and obtain the Loan.

SECTION 2. AUTHORIZATION.

BE IT HEREBY RESOLVED that, in consideration of the benefits accruing and to accrue to the City, the County, the Authority, the citizens of Huntsville, Alabama, and the citizens of Madison County, Alabama, by the Authority making the Improvements and obtaining the Loan, the Authority be, and is hereby authorized, empowered and directed (1) to obtain the Loan on the foregoing and other conditions, provisions and terms, and (2) to evidence and secure the Loan by execution and delivery of such documents, instruments and writings, all as the Authority's Board deems appropriate, necessary and prudent.

SECTION 3. EFFECTIVE DATE.

This Resolution shall become effective upon its approval by the Mayor of the City of Huntsville, Alabama.

ADOPTED this the _____ day of _____, 2014.

ATTEST: _____

Charles E. Hagood,
As City Clerk-Treasurer
of City of Huntsville,
a municipal corporation
within the State of Alabama

Mark Russell,
as President of the
City Council of City of
Huntsville, a municipal
corporation within the State of Alabama

[SEAL]

APPROVED on this the _____ day of _____, 2014.

Tommy Battle,
as Mayor of City of Huntsville,
a municipal corporation
within the State of Alabama

STATE OF ALABAMA)
)
COUNTY OF MADISON)

CERTIFICATE

I, Charles E. Hagood, as City Clerk-Treasurer of City of Huntsville, a municipal corporation within the State of Alabama, do hereby certify as follows:

1. That the foregoing and within is a complete, correct, exact, full, genuine and true copy of Resolution Number _____ (hereinafter referred to as the "Resolution") adopted at, and as shown in the Minutes (hereinafter referred to as the "Minutes") of, the _____, regular, adjourned session meeting of the City Council of City of Huntsville, a municipal corporation within the State of Alabama (hereinafter referred to as the "City Council").

2. That, as City Clerk-Treasurer of City of Huntsville, a municipal corporation within the State of Alabama, I:

- a. have official care, control and custody of the Minutes and the Resolution; and
- b. have the official duty and responsibility to keep the Minutes and the Resolution.

3. The Minutes and the Resolution are:

- a. prepared by employees of the City Clerk-Treasurer under the City Clerk-Treasurer's direct supervision;
- b. prepared by employees of the City Clerk-Treasurer who have a duty to prepare them;
- c. prepared by employees of the City Clerk-Treasurer at or near the time of the recording of the same by the City Clerk-Treasurer for the City Council;
- d. properly prepared and kept in the regular and routine business of the City Clerk-Treasurer and the City Council in accordance with the procedures prescribed for preparation of the same, and as required, by applicable law;
- e. correct and factual in nature; and
- f. public records open to public inspection.

4. The foregoing is correct and true to the best of my personal knowledge, as such City Clerk-Treasurer.

Dated this the _____ day of _____, 2014.

Charles E. Hagood,
as City Clerk-Treasurer,
of City of Huntsville,
a municipal corporation within the State of Alabama

STATE OF ALABAMA)
)
COUNTY OF MADISON)

I, _____, a Notary Public in and for said County in said State hereby certify that Charles E. Hagood, whose name as City Clerk-Treasurer of City of Huntsville, a municipal corporation within the State of Alabama, is signed to the foregoing Certificate, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing Certificate, he, in his capacity as such City Clerk-Treasurer, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal on this the _____ day of _____, A.D., 2014.

My Commission Expires:

Notary Public
State of Alabama
County of Madison [SEAL]