

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: \_\_\_\_\_

Meeting Type: Regular

Meeting Date: Jan 14, 2016

Action Requested By: Administration

Agenda Type: Resolution

Subject Matter:

Exact Wording for the Agenda:

Resolution authorizing the Huntsville-Madison County Railroad Authority to obtain a loan from First National Bank of Pulaski.

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

Item to be considered for: Action

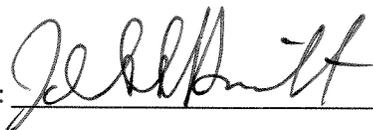
Unanimous Consent Required: No

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: \$925,000

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 1/13/16

RESOLUTION NUMBER \_\_\_\_\_

A RESOLUTION AUTHORIZING  
THE HUNTSVILLE AND MADISON COUNTY RAILROAD AUTHORITY  
TO OBTAIN AND SECURE A LOAN UP TO \$925,000.00  
FROM FIRST NATIONAL BANK OF PULASKI

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 (i) consolidate and refinance the Authority's existing indebtednesses and (ii) provide funds for capital improvements to the Authority's infrastructure it is necessary and expedient for the Authority to obtain from First National Bank of Pulaski, Tennessee a loan up to the original principal amount of Nine Hundred Twenty Five Thousand and No/100 Dollars (\$925,000.00) repayable, together with interest thereon at the rate of four percent (4.00%) per annum, and amortized over a twenty (20) year period, (a) in consecutive equal monthly payments of principal and interest over seventy-two (72) months and (b) with a final balloon payment of all then unpaid principal, and accrued but unpaid interest (the "Loan"), which Loan will be secured by (1) a pledge of, and security interest in, all of the Authority's business assets (including, but not limited to, locomotives, rails and other track materials) and (2) a first Mortgage, Assignment of Rents and Leases and Security Agreement on the Authority's real property and improvements situated thereon

located at (a) 119 Woodson Street, Huntsville, Alabama, (b) 13207 South Memorial Parkway, Huntsville, Alabama, and (c) 8514 Whitesburg Drive South, Huntsville, Alabama.

E. 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 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 obtaining the Loan, the Authority be, and is hereby authorized, empowered and directed (1) to obtain the Loan on the foregoing and other agreements, covenants, provisions and terms, and (2) to evidence and secure the Loan by (a) execution and delivery of such documents, instruments and writings, by (b) a pledge of, and security interest in, all of the Authority's business assets (including, but not limited to, locomotives, rails and other track materials) and (c) a first Mortgage, Assignment of Rents and Leases and Security Agreement on the Authority's real property and improvements situated thereon located at (i) 119 Woodson Street, Huntsville, Alabama, (ii) 13207 South Memorial Parkway, Huntsville, Alabama, and (iii) 8514 Whitesburg Drive South, Huntsville, Alabama, 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 January, 2016.

ATTEST: \_\_\_\_\_  
Kenneth Benion,  
As City Clerk-Treasurer  
of City of Huntsville,  
a municipal corporation  
within the State of Alabama

\_\_\_\_\_  
Will Culver,  
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 January, 2016.

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

STATE OF ALABAMA )  
 )  
COUNTY OF MADISON )

CERTIFICATE

I, Kenneth Benion, 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 January, 2016.

\_\_\_\_\_  
Kenneth Benion,  
as City Clerk-Treasurer,  
of City of Huntsville,  
a municipal corporation within the State of Alabama

