



Huntsville, Alabama

308 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 7/27/2023

File ID: TMP-3164

Department: Legal

Subject:

Type of Action: Unanimous Consent

Introduction of an Ordinance authorizing the issuance of one Taxable Limited Obligation TIF Revenue Warrant, TIF-5 - Series 2023 in the aggregate principal amount of not to exceed \$2,300,000.

Ordinance No.

Finance Information:

Account Number: TBD

City Cost Amount: NA

Total Cost: NA

Special Circumstances:

Grant Funded: NA

Grant Title - CFDA or granting Agency: NA

Resolution #: NA

Location: (list below)

Address:

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

ORDINANCE NO. 23-_____

**AN ORDINANCE
AUTHORIZING THE ISSUANCE OF ONE TAXABLE LIMITED OBLIGATION TIF
REVENUE WARRANT, TIF5 - SERIES 2023
IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,300,000**

BE IT ORDAINED by the City Council (the "Council") of the **CITY OF HUNTSVILLE, ALABAMA** (herein called the "City") as follows:

Section 1. Findings. The Council has found and ascertained and does hereby declare as follows:

(a) The City and L W Redstone Company, LLC, a Delaware limited liability company (the "Company"), have heretofore entered into that certain Annexation and Development Agreement dated March 25, 2010, as amended by that certain Modification No. 1 dated May 24, 2012 and Modification No. 2 dated October 10, 2013 (the "Development Agreement") respecting the construction and development of various public capital infrastructure improvements described more particularly in that certain TIF5 – 2023 Supplemental Development Agreement between the City and the Company attached hereto as Exhibit A (said public infrastructure improvements herein called the "2023 Public Infrastructure Improvements") on certain real property referred to as the "Project Site" in the Development Agreement; and

(b) In order to facilitate the construction, acquisition and installation of the 2023 Public Infrastructure Improvements, the City has agreed to issue and deliver the Series 2023 TIF Revenue Warrant hereinafter described and authorized (the "Series 2023 TIF Revenue Warrant"); and

(c) The Council deems it necessary, desirable and in the public interest that a portion of the costs of the 2023 Public Infrastructure Improvements be paid by the issuance of the Series 2023 TIF Revenue Warrant, and the Company has agreed to purchase and acquire said warrant from the City.

Section 2. Authorization of Series 2023 TIF Revenue Warrant; 2023 First Advance; Computation of Interest. (a) Pursuant to the applicable provisions of the Code of Alabama 1975, as amended, including particularly but without limitation Section 11-99-8 thereof, and for the purpose of providing the funds to pay the costs of a portion of the 2023 Public Infrastructure Improvements and the expenses of issuing the Series 2023 TIF Revenue Warrant, the City is hereby authorized to borrow from the Company, pursuant to Advances (as such term is defined in the Development Agreement) hereafter made from time to time by the Company, the principal sum of not to exceed \$2,300,000 and, in evidence of the money so borrowed, is authorized to issue and deliver to the Company one Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2023, in the principal amount of not to exceed \$2,300,000 and payable to the Company (herein called the "Series 2023 TIF Revenue Warrant").

(b) Upon the date of initial issuance and delivery of the Series 2023 TIF Revenue Warrant the Company shall make an Advance totaling \$6,500 (said Advance, the "2023 First Advance"). The City has determined not to require an Initial Advance (as such term is defined in the Development Agreement) in connection with the Series 2023 TIF Revenue Warrant. The 2023 First Advance shall be used by the City for payment of the costs of issuing the Series 2023 TIF Revenue Warrant.

(c) The Series 2023 TIF Revenue Warrant shall become due and payable (the "Maturity Date") on the earlier of (i) thirty (30) years from the dated date of the Series 2023 TIF Revenue Warrant, or (ii) the date on which the TIF (as such term is defined in the Development Agreement) shall expire. The Series 2023 TIF Revenue Warrant shall be dated August 4, 2023, shall be issued as a single fully registered warrant and shall be payable to the Company.

(d) Interest on the outstanding balance of the Series 2023 TIF Revenue Warrant (including, without limitation, interest on each Advance from the date such Advance is made) shall accrue at a rate of 9.95% per annum, shall be payable on March 1 of each year, commencing March 1, 2024 (each such date, an "Interest Payment Date"), until the Maturity Date unless and to the extent said outstanding balance shall be paid earlier, and shall be computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months.

(e) To the extent TIF Revenues (as such term is defined in the Development Agreement) are insufficient to pay maturing installments of interest when due on any Interest Payment Date, then the amount of such deficiency shall be added to the then outstanding balance of the Series 2023 TIF Revenue Warrant. In the event an Interest Payment Date is not a Business Day (as such term is defined in the Development Agreement), the interest due on such date shall be payable on the then next succeeding Business Day. Upon the Maturity Date, all outstanding but unpaid principal and interest under the Series 2023 TIF Revenue Warrant shall be deemed paid in full and no longer outstanding, and the City shall have no obligation whatsoever for the payment thereof (whether from TIF Revenues or otherwise) on or following the Maturity Date.

Section 3. Optional Prepayment Privilege. The City reserves and shall have the privilege of prepaying all or a portion of the principal balance of the Series 2023 TIF Revenue Warrant at any time and from time to time in whole or in part without penalty or premium upon five (5) Business Days' prior written notice to the Company.

Section 4. Execution of the Series 2023 TIF Revenue Warrant;
Registration. (a) The Series 2023 TIF Revenue Warrant shall be executed and the corporate seal of the City shall be affixed thereto by the Mayor, and the City Clerk shall attest the same by affixing his signature thereto. The Series 2023 TIF Revenue Warrant shall be registered in the records maintained by the City Treasurer as a limited obligation payable solely from TIF Revenues to the extent and upon the terms set forth herein and in the Series 2023 TIF Revenue Warrant. Said officers are hereby authorized and directed so to execute and attest the Series 2023 TIF Revenue Warrant, affix said seal thereto and make such registration.

(b) A registration certificate by the City, in substantially the form set forth in Section 6 hereof, duly executed by the manual signature of the City Clerk, shall be endorsed on the Series 2023 TIF Revenue Warrant and shall be essential to its validity.

(c) The Series 2023 TIF Revenue Warrant shall be registered as to both principal and interest in the name of the Purchaser and shall not be transferable except to an "accredited investor" as defined in the Securities and Exchange Act of 1933 and the rules and regulations promulgated thereunder and only upon compliance with applicable State of Alabama and federal securities laws.

Section 5. Limited Obligation. The indebtedness evidenced and ordered paid by the Series 2023 TIF Revenue Warrant is and shall be a limited obligation of the City payable solely out of TIF Revenues on deposit in the TIF Fund (as such term is defined in the Development Agreement) on a parity with the City's \$10,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-A, dated July 26, 2010, the City's \$20,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-B, dated November 5, 2010, the City's \$3,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-A, dated February 6, 2012, the City's \$3,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-B, dated June 4, 2012, the City's \$1,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2013-A, dated March 11, 2013, the City's \$1,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2017-A, dated March 30, 2017, the City's \$4,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2017-B, dated October 10, 2017, the City's \$4,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2018-A, dated August 29, 2018, the City's \$1,700,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2019-A, dated February 5, 2019, the City's \$14,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2019-B, dated May 30, 2019, the City's \$2,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2020-A, dated April 17, 2020, the City's \$6,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2021-A, dated June 3, 2021, the City's \$2,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2021-B, dated August 2, 2021, and all other Owner Warrants (as such term is defined in the Development Agreement) hereafter issued, subject and subordinate to: (1) any pledge of TIF Revenue made by the City for the benefit of any Permanent Financing Obligations (as such term is defined in the Development Agreement) heretofore or hereafter issued by the City as TIF (as such term is defined in the Development Agreement) revenue obligations of the City, and (2) the right of the City to use and apply TIF Revenues to reimburse the City for the payment of debt service on any Permanent Financing Obligations heretofore or hereafter issued by the City as general obligations of the City. The general faith and credit of the City are not pledged to the payment of the principal of or the interest or premium, if any, on the Series 2023 TIF Revenue Warrant, and the Series 2023 TIF Revenue Warrant shall not be a general obligation of the City. None of the agreements, representations or warranties made or implied in this ordinance, or in the issuance of the Series 2023 TIF Revenue Warrant shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after any breach by the City of any such agreement, representation or warranty, except with the TIF Revenues on deposit in the TIF Fund. The City shall not in any manner be liable for payment of the principal of or the premium, if any, or interest on the Series 2023 TIF Revenue Warrant or for the performance of any of the obligations of the City herein

contained or contained in the Series 2023 TIF Revenue Warrant other than out of TIF Revenues on deposit in the TIF Fund, subject to all prior liens thereon and pledges thereof as aforesaid.

Section 6. Form of Series 2023 TIF Revenue Warrant. The Series 2023 TIF Revenue Warrant shall be in substantially the following form, with such changes therein as shall be necessary to comply with the provisions of this ordinance:

(Form of Series 2023 TIF Revenue Warrant)

THIS WARRANT MAY BE TRANSFERRED ONLY UPON THE PRIOR WRITTEN CONSENT OF THE CITY OF HUNTSVILLE, ALABAMA, AND ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE ORDINANCE OF THE CITY REFERRED TO HEREIN.

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

CITY OF HUNTSVILLE

**TAXABLE LIMITED OBLIGATION TIF REVENUE WARRANT
TIF5 - SERIES 2023**

The City Treasurer of the **CITY OF HUNTSVILLE, ALABAMA** (herein called the "City"), a municipal corporation under the laws of the State of Alabama, is hereby ordered to pay to **L W REDSTONE COMPANY, LLC** (the "Owner"), on the Maturity Date hereinafter referred to, the principal sum of

**TWO MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS
(\$2,300,000.00),**

or such lesser amount as may be advanced from time to time to the City by the Owner (each such amount so advanced, an "Advance") pursuant to that certain Annexation and Development Agreement dated March 25, 2010, as amended by that certain Modification No. 1 dated May 24, 2012 and Modification No. 2 dated October 10, 2013 between the City and the Owner (the "Development Agreement"). Capitalized terms used in this limited obligation warrant and not otherwise defined shall have the meaning given to them in the Development Agreement.

Contemporaneously with the initial issuance and delivery hereof the Owner shall have made an Advance in the amount of \$6,500 (the "2023 First Advance"). The amount and date of the 2023 First Advance, and of each other Advance referable hereto hereafter made shall, upon receipt by the City, be set forth on the Advance Chart attached hereto.

Interest on the outstanding balance of this limited obligation warrant including, without limitation, interest on each Advance (including, without limitation, the 2023 First Advance) from the date such Advance is made, shall accrue at a rate of 9.95% per annum, shall be payable on March 1 of each year, commencing March 1, 2024 (each such date, an "Interest Payment Date"), until the Maturity Date hereinafter referred to unless and to the extent said outstanding balance shall be paid earlier, and shall be computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months.

To the extent TIF Revenues are insufficient to pay maturing installments of interest when due on any Interest Payment Date, then the amount of such deficiency shall be added to the then outstanding balance hereof. In the event an Interest Payment Date is not a Business Day (as such term is defined in the Development Agreement), the interest due on such date shall be payable on the then next succeeding Business Day.

This limited obligation warrant is designated "Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2023", is authorized to be issued in the aggregate principal amount of up to \$2,300,000, and is one of a duly authorized issue of obligations of the City designated "Owner Warrants" in the Development Agreement. The indebtedness evidenced and ordered paid hereby, and the obligations of the City to pay the principal hereof and the interest hereon, are and shall constitute limited obligations of the City, payable solely out of TIF Revenues on deposit in the TIF Fund, on a parity with (i) the City's \$10,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-A, dated July 26, 2010, (ii) the City's \$20,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-B, dated November 5, 2010, (iii) the City's 3,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-A, dated February 6, 2012, (iv) the City's \$3,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-B, dated June 4, 2012, (v) the City's \$1,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2013-A, dated March 11, 2013, (vi) the City's \$1,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2017-A, dated March 30, 2017, (vii) the City's \$4,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2017-B, dated October 10, 2017, (viii) the City's \$4,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2018-A, dated August 29, 2018, (ix) \$1,700,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2019-A, dated February 5, 2019, (x) \$14,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2019-B, dated May 30, 2019, (xi) \$2,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2020-A, dated April 9, 2020, (xii) \$6,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2021-A, dated June 3, 2021, (xiii) \$2,500,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2021-B, dated August 2, 2021, and (xiv) all other Owner Warrants hereafter issued (collectively, the "Parity TIF Warrants"), subject and subordinate to: (1) any pledge of TIF Revenues heretofore or hereafter made by the City for the benefit of any Permanent Financing Obligations heretofore or hereafter issued by the City as TIF revenue obligations of the City, and (2) the right of the City to use and apply TIF Revenues to reimburse the City for the payment of debt service on any Permanent Financing Obligations heretofore or hereafter issued by the City as general obligations of the City.

Payments of Debt Service on this limited obligation warrant shall be paid in any coin or currency which, at the time of payment, is legal tender for the payment of public and private

debts. Such amount shall be paid to the Owner hereof by check or, at the election of the Owner, by wire transfer sent to the Owner at such address as the Owner may designate from time to time by a notice in writing delivered by an officer of Owner to the Finance Director of the City. Payments of debt service on this limited obligation warrant shall be applied first to the payment of any due but unpaid interest and, second, to principal outstanding on any Advance made in connection herewith.

The Owner shall have the right to tender this limited obligation warrant in whole or in part (though if in part in increments of not less than \$5,000,000, unless the outstanding balance of principal and accrued but unpaid interest hereunder is less than \$5,000,000) for payment by the City at such time, in the manner, and for payment on or before the applicable Tender Payment Date as set forth in Section 7.2.3 of the Development Agreement; provided, however, the amount actually tendered for payment shall not be in excess of the applicable Tender Payment Amount.

This limited obligation warrant shall mature, unless and to the extent portions hereof are earlier tendered by the Owner for payment or redeemed by the City as herein provided, on the earlier of the date that is thirty (30) years from the date hereof or the date on which the TIF referred to in the Development Agreement shall expire (the "Maturity Date"). Upon the Maturity Date, all outstanding but unpaid principal and interest under this limited obligation warrant shall be deemed paid in full and no longer outstanding, and the City shall have no obligation whatsoever for the payment thereof (whether from TIF Revenues or otherwise) on or following the Maturity Date.

The City reserves and shall have the privilege of prepaying the principal balance of this limited obligation warrant at any time and from time to time, in whole or in part, without penalty or premium upon five (5) Business Days' prior written notice to the Owner. Contemporaneously with the payment in full hereof, whether pursuant to tender, redemption or at maturity, this limited obligation warrant shall be surrendered to the City.

This limited obligation warrant has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 11-99-8 of the Code of Alabama 1975, as amended, and an ordinance adopted on July 27, 2023, by the governing body of the City (the "2023 Ordinance") to provide funds for purposes for which the City is authorized to borrow money under said section.

This limited obligation warrant constitutes a limited obligation of the City payable solely out of TIF Revenues on a parity with the Parity TIF Warrants, subject to any pledge of TIF Revenues heretofore or hereafter made by the City for the benefit of any Permanent Financing Obligations heretofore or hereafter issued by the City as TIF revenue obligations of the City and the right of the City to use and apply TIF Revenues to reimburse the City for the payment of debt service on any Permanent Financing heretofore or hereafter issued by the City as general obligations of the City, and neither the full faith or credit of the City have been pledged for the payment hereof.

It is hereby certified that the indebtedness evidenced hereby has been duly and

legally incurred; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed and happen precedent to and on the issuance of this limited obligation warrant, exist, have been performed and have happened; and that the indebtedness evidenced by this limited obligation warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

Any notice required hereunder shall be delivered as set forth in Article XIII of the Development Agreement.

IN WITNESS WHEREOF, the City has caused this limited obligation warrant to be executed and its official seal to be hereunto affixed by the Mayor and has caused the same to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this limited obligation warrant to be dated August 4, 2023.

CITY OF HUNTSVILLE, ALABAMA

By: _____
Mayor

[S E A L]

Attest:

City Clerk

(Form of Certificate of Registration by City Treasurer)

I hereby certify that this limited obligation warrant was at the time of issuance thereof duly registered by me as a limited obligation claim against the **CITY OF HUNTSVILLE, ALABAMA**.

City Treasurer of the
CITY OF HUNTSVILLE, ALABAMA

Advance Chart

[illegible]

Section 7. Sale and Delivery of Series 2023 TIF Revenue Warrant. The Series 2023 TIF Revenue Warrant is hereby sold to the Company at and for a purchase price equal to the face amount of all Advances made thereunder. The City Clerk is hereby authorized and directed to deliver the Series 2023 TIF Revenue Warrant, which shall have been executed, sealed, attested and registered as herein provided, to the Company upon the agreement of the Company to make the Advances, as provided in Section 7.2.1(f) of the Development Agreement.

Section 8. Use of Proceeds. All amounts made available from Advances made pursuant to the Development Agreement and referable to the Series 2023 TIF Revenue Warrant shall be used to pay the costs of the 2023 Public Infrastructure Improvements and to pay the costs of issuing the Series 2023 TIF Revenue Warrant.

Section 9. Authorization of TIF5 – 2023 Supplemental Development Agreement. The Council does hereby authorize and direct the Mayor and the City Clerk of the City, or either of them, to execute and deliver, for and in the name and on behalf of the City the TIF5 - 2023 Supplemental Development Agreement, and do hereby authorize and direct the City Clerk of the City to affix the corporate seal of the City to the TIF5 - 2023 Supplemental Development Agreement and to attest the same. The TIF5 - 2023 Supplemental Development Agreement shall be in substantially the form presented to the meeting at which this resolution is adopted and attached hereto as Exhibit A, with such additions, omissions and changes as may be approved by the Mayor or the Director of Finance, the execution of the TIF5 - 2023 Supplemental Development Agreement by the Mayor or the Director of Finance of the City being conclusive evidence of such approval.

Section 10. Additional Documents Authorized. The Mayor, the City Clerk and the Director of Finance of the City, or any of them, are each hereby authorized and directed to execute such other documents or certificates necessary in order to carry out the transactions contemplated by this Ordinance.

Section 11. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and the holder of the Series 2023 TIF Revenue Warrant.

Section 12. Provisions of Ordinance Severable. The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED this the 27th day of July, 2023.

City Council President
City of Huntsville, Alabama

APPROVED this the 27th day of July, 2023.

Mayor
City of Huntsville, Alabama

EXHIBIT A

FORM OF TIF5 - 2023 SUPPLEMENTAL DEVELOPMENT AGREEMENT

**SUPPLEMENTAL DEVELOPMENT AGREEMENT
TIF5 – SERIES 2023 TO ANNEXATION AND
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF HUNTSVILLE AND
LW REDSTONE COMPANY, LLC, IN
THE AMOUNT OF \$2,300,000.00**

Pursuant to Section 7.3 of the Annexation and Development Agreement dated March 25, 2010, as modified by Modification No. 1 to Annexation and Development Agreement dated May 24, 2012 and Modification No. 2 to Annexation and Development Agreement dated October 10, 2013 (as modified, the “Agreement”), between **THE CITY OF HUNTSVILLE, ALABAMA**, a municipal corporation organized and existing pursuant to the laws of the State of Alabama (“City”) and **LW REDSTONE COMPANY, LLC**, a Delaware limited liability company (“Owner”), City and Owner enter into this Supplemental Development Agreement, and hereby provide more specifically of the obligations of City and Owner.

A. IMPORTANT DATES (ESTIMATES ONLY)

| | |
|--|---|
| Commencement of City work related to Agreement Section 6.2 | August 1, 2023 TIF Revenue Warrant Issue TIF Revenue Warrant, TIF5 Series 2023 |
| Commencement of Owner development work | n/a |
| First ad valorem assessment of Owner’s development work Pursuant to this Supplemental Development Agreement | n/a |
| First TIF Revenues received by City | n/a |

B. OWNER IMPROVEMENTS

Scope of Work for Supplemental Developmental Agreement TIF5 – Series 2023

This fourteenth (14th) Supplemental Development Agreement (SDA) continues funding for Secured Parcel Phase II Infrastructure Improvements to include various engineering services, construction, and permit fees for the Goss Road extension of approximately 2,100 LF, mass earthwork over approximately 80 acres, and stormwater management improvements including detention facilities. The total estimated overall cost of the work necessary for the Secured Parcel Phase II Infrastructure Improvements to be funded by this SDA TIF5 2023 Warrant Issue is the amount of \$2,300,000.00 for the work described herein.

Scopes of work and estimated completion dates are summarized below:

SECURED PARCEL PHASE II INFRASTRUCTURE ENGINEERING SERVICES

Engineering design and other services (soft costs) are necessary to prepare the construction documents for the improvements to include the extension of Goss Road to the secured Gateway roundabout including utilities, stormwater improvements, earthwork, streetlights, communication duct bank, and the landscape and irrigation work. Additionally, the construction documents will include mass earthwork over approximately 80 acres and stormwater management improvements including detention facilities. These soft costs also include the geotechnical investigation for the 80 acres parcel and the preparation of the maintenance easement for the Goss Road extension. These engineering services will be performed by SAIN Associates. The total estimated costs to be budgeted and funded for this work from this TIF Revenue Warrant TIF 5 SDA 2023 are estimated to be approximately \$260,476.00. Projected completion date is November 1, 2024.

SECURED PARCEL PHASE II INFRASTRUCTURE PROJECT/CONSTRUCTION MANAGEMENT SERVICES

The Annexation and Development Agreement between the City of Huntsville, Alabama and L W Redstone provides for the employment of a Project Manager to oversee certain aspects of the Public Infrastructure Improvements as defined in that Development Agreement. Project/Construction Management services will be performed by BL Harbert International for the improvements described herein to the Secured Parcel. Included are consultant fees to prepare the as-built surveys and to perform the testing and inspections during construction. The amount of approximately \$492,460.00 is not funded from this TIF 5 SDA 2023 but instead funded directly by Owner through a separate agreement in which the City will be a third party for administrative purposes. Completion date of this work is estimated to be approximately November 1, 2024.

CONSTRUCTION SERVICES FOR THE SECURED PARCEL PHASE II

Construction services will be contracted for mass earthwork for approximately 80 acres, to include stormwater management improvements. Also, construction services will be contracted for the Goss Road extension, including all utilities (except sanitary sewer and aid-to-construction fees), streetlighting, communication duct bank, streetscape, and irrigation. The total estimated costs for this work to be budgeted and funded from this TIF 5 SDA 2023 is estimated to be 2,033,024.00, or the remainder of the balance of TIF 5 SDA 2023 left after engineering services and incidental legal and financial expenses. Construction Contractors have yet to be selected. Completion date of these projects is estimated to be November 1, 2024.

CONTRACTS, CHANGE ORDERS, MODIFICATIONS IN EXCESS OF TIF 5 SDA FUNDING

Any contracts, change orders or modifications to the contracts awarded for the work described above in excess of the amount of funding established and authorized by this TIF 5 SDA 2023 or any other TIF 5 SDA, shall not be authorized and executed unless funding for the contract, change order or modification has been provided pursuant to a properly approved and executed agreement between the City of Huntsville and LW Redstone Company LLC.

INCIDENTAL LEGAL AND FINANCIAL EXPENSES – Legal expenses for issuance of the Owner’s warrant for this phase of work. Estimated cost \$6,500.00.

C. ESTIMATED TIF REVENUES

First year Ad Valorem taxes \$ N/A

First year PILOT per Agreement Section 7.7 \$ N/A

TOTAL \$ N/A

D. CITY COST & OWNER WARRANT AMOUNT

Maximum amount of City costs and Owner Warrant issue amount:

| | |
|---|-----------------|
| Regarding such costs pursuant to this Supplemental Development Agreement | \$ 2,300,000.00 |
|---|-----------------|

ADVANCE UNDER THE ANNEXATION AND DEVELOPMENT AGREEMENT-

The agreement between LW Redstone and the City of Huntsville provides for an initial advance for the Owner Warrants issued subsequent to the first Owner Warrant 5% of the costs on the Public Infrastructure Improvements referable to such warrant. The Initial Advance referable to this Owner Warrant is \$ 6,500.00.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

(“OWNER”)

L W REDSTONE COMPANY, LLC

Dated: August 4, 2023

By: _____

Name: _____

Its: _____

(“CITY”)

THE CITY OF HUNTSVILLE,
ALABAMA,
A municipal corporation

Dated: August 4, 2023

By: _____
Tommy Battle
Its: Mayor

ATTEST:

Shaundrika Edwards, City Clerk